INDIA TODAY
1991 Jul-Aug

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EXCLUSIVE
RAJIV ASSASSINATION
THE INSIDE STORY

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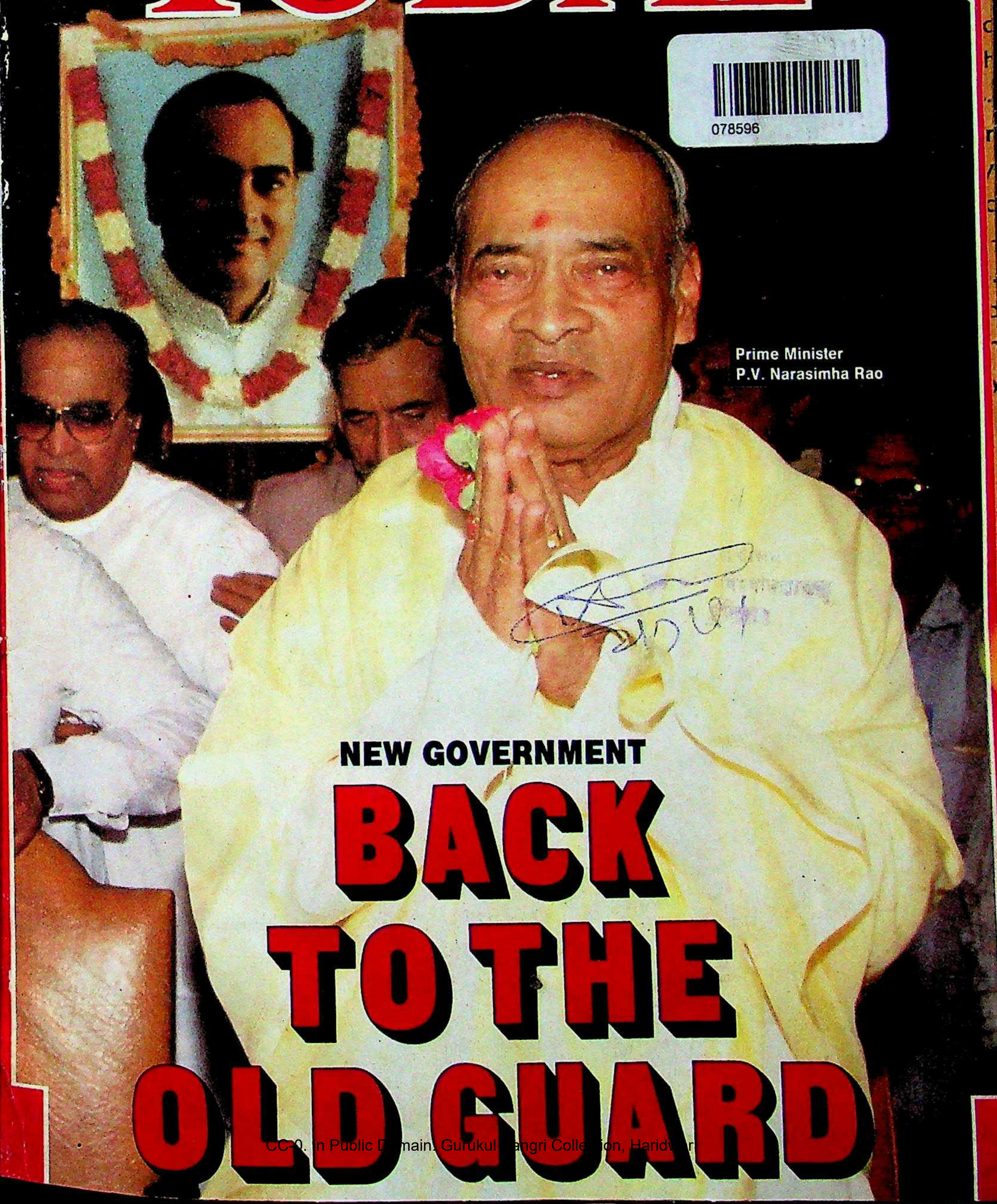

Prime Minister
P.V. Narasimha Rao

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BACK TO THE OLD GUARD

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IN FOCUS THIS FORTNIGHT

Back to the Old Guard

Narasimha Rao's election as Prime Minister heralds the return of the old Congress guard and his cabinet selection has been uninspiring in the face of the myriad crises facing the country. A detailed analysis of what the election results mean and what lies ahead.

COVER STORIES........ 30

Taming of Pawar

Maharashtra supremo Sharad Pawar who attempted to muscle in on the prime ministership was tripped up by the still-powerful coterie. A behind-the-scenes look the at how and why Pawar was edged out of the race and what his options are going to be in the future.

COVER STORIES........ 35

Rise and Fall of Titans

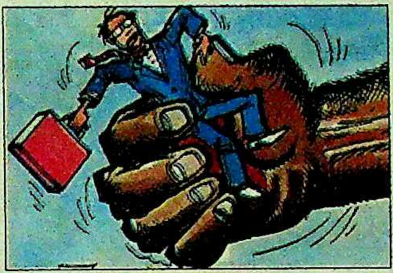
While the elections have thrown up powerful and charismatic regional leaders such as Laloo Prasad Yadav in Bihar and Jayalalitha in Tamil Nadu, one-time kingmaker Devi Lal has been dealt a humiliating blow in Haryana, which he regarded as his personal backyard.

COVER STORIES........ 58

The Inside Story

Determined to prevent Rajiv Gandhi from returning to power fearing the reinduction of the IPKF, the LTTE supremo Pirabhakaran ordered the killing of Rajiv at a meeting held in Jaffna in October 1990. An exclusive investigation on the people involved and how the plot was hatched and executed.

SPECIAL INVESTIGATION........ 22



Corporate Crunch

It's a fast-developing nightmare. The credit squeeze, import curbs and a slack economy are affecting companies countrywide, making them worry about bad bottomlines in 1991-92 after a high-profits vintage year. And even if the Government eases controls, troubles will not end.

BUSINESS........ 82

Traumatic Decline

The once-affluent Namboodiris of Kerala have fallen on hard days. With their epicurean life-style a thing of the past, the priestly community has taken to scrounging for a living. Along with affluence, some traditions like the teaching of the Vedas are also on the decline. A report.

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Cover photograph by SHARAD SAXENA

TAKE OFF YOUR CLOTHES
AND STAND BEFORE A MIRROR.

IS THIS WHAT YOU SEE?

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If you're in your late twenties or older, the answer is probably *yes.*

That's the time when most of us settle down to sedentary lifestyles.

Now appears that dread sign of prosperity, the potbelly. Proud, fleshy, firmly rotund : rather like an apple, come to think of it.

With women, it's the tendency to gain weight on the lower body, the hips and the thighs. The classic 'pear' shape.

It's nature's way of saying you've slowed down. But that doesn't mean there's no fighting against it.

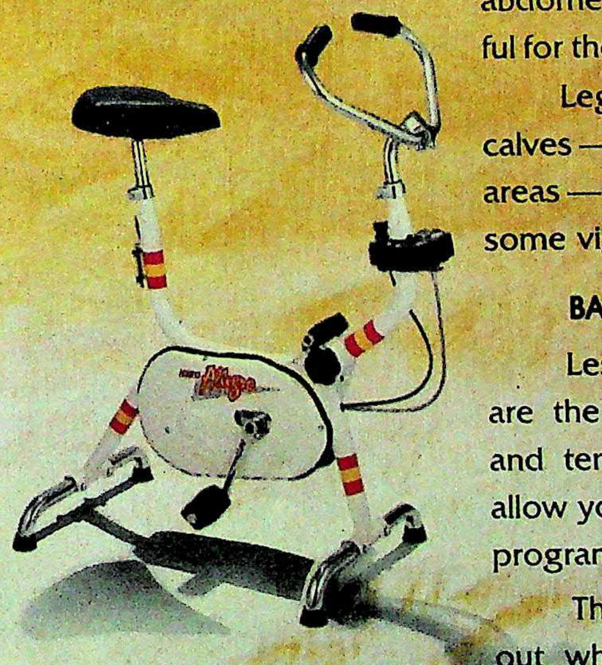
PARING THE APPLE

Chewing on a leaf of lettuce may be great for the morale. But the fact remains that diets are little help in shaping up.

All those months of self-denial will leave you a slimmer apple or pear. But a pear nevertheless.

If there's a solution, it's exercise.

A month of regular workouts can help reduce inches and remove flab. Off the *right* places.



WHAT EXERCISE?

It all depends on you : your habits, your temperament, your specific weight problem. There is simply no universal answer.

You may find it worth your while to try a workout machine such as the Hero *Allegro,* which features both rowing and cycling functions.

The rowing motion exercises the upper body firming up arm, shoulder and abdomen muscles. Very useful for the apples amongst us.

Legs, thighs, hips and calves — the pear's problem areas — are best tackled by some vigorous pedalling.

BACK INTO SHAPE

Less obvious, perhaps, are the advantages of time and tension controls, which allow you to *plan* an exercise program.

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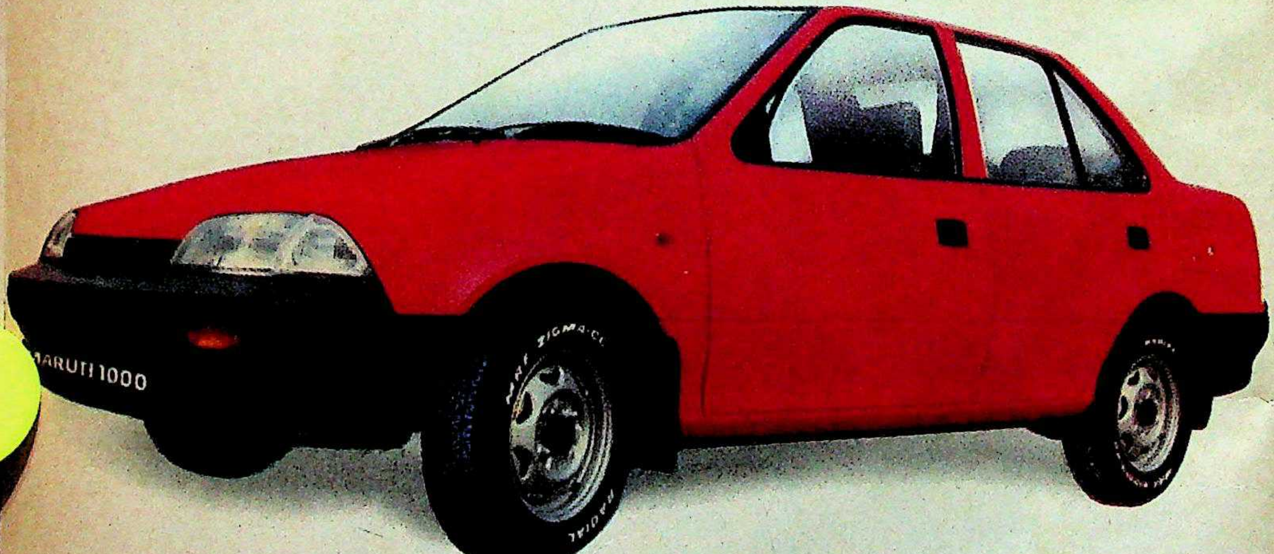

When a new generation car is launched, nothing less than the latest-technology tyre will do. ▫ Maruti 1000, the car for the '90s. Launched on MRF ZIGMA, of course. The Space Age Radial that uses technology from B.F. Goodrich — the company that manufactures tyres for the Space Shuttle Columbia. ▫ So get ready to discover an out-of-the-world driving experience. With Maruti 1000. On MRF ZIGMA, of course.

MRF
ZIGMA
THE SPACE AGE RADIAL

CONCISE COVERAGE

The cover story on the probe into Rajiv Gandhi's assassination ("Fitting the Pieces", June 30) was effectively put together. It managed to highlight the lapses of the security system, although politicians themselves cannot evade responsibiltiy. The story also provided a clear picture about the kind of odds faced by the Special Investigation Team thanks to the determination and discipline of the LTTE cadre. Even if one disagrees with their ideology, one cannot cease to be amazed at the fanaticism of the Tamil Tigers. They remind one of the Irish republicans and the Palestinian guerrillas. The good, as they say, don't have the conviction, whereas the bad have a surfeit of it. The investigating agency has its work cut out. D.R. Karthikeyan and company need all the luck to solve this case.

New Delhi **GULSHAN KAPOOR**

WHEN DREAMS DIE

Whether the nation failed Rajiv Gandhi ("Ordeal of Prince Charming", June 15) or he failed us is for history to judge. If it had not been for the Bofors scandal, Rajiv Gandhi would never have lost power. Having learnt from his blunders, he would have been a success if destiny had given him a second chance. After all, wasn't it during his early years as prime minister that *Mera Bharat* appeared truly *mahan*?

Kanpur **ANAND AIVALLI**

STILL A GLIMMER OF HOPE

On the personal level, Rajiv Gandhi's assassination ("Darkness at Midlife", June 15) is an inhuman act, which needs to be strongly denounced globally. The impact of his death on the country's future, however, is unlikely to be as significant as the initial emotional reaction from the press. Post-Rajiv India will be strong and stable. The only casualties will be some members of Rajiv's kitchen cabinet.

Texas, US **RANJAN PANT**

■ When I left the shores of India for a stint in Northern Ireland, I felt I was trading peace and quiet for a hot-bed of intense religious and political violence. However, the mayhem over the last few months is deeply shocking. Yet, I do not agree with the prophets of doom who see nothing but disaster ahead. I think our country is searching for an identity and out of this cauldron will emerge a new vision of the future.

Northern Ireland **NAISHADH PATIL**

■ Rajiv's assassination raises issues of grave concern. The most important of these is the use of violence to settle political scores. The killing of candidates and the general violence during elections underscore that politics in India is becoming increasingly brutal. The growing dominance of casteist and communal forces is another pointer to the country being on the boil. We repeatedly state our pride in being the world's largest democracy. It is high time we also tried to become the best.

Bombay **BILLU ANEJA**

INDIA
TODAY
ASSASSINATION PROBE
FITTING THE PIECES

One wonders what Rajiv Gandhi did to deserve this end. Do dreams die first? Or the dreamers?

Bangalore **B.G. PRAKASH**

I once read "there is some consolation in the fact that even if your dreams haven't come true, neither have your nightmares". The fact is our dreams haven't come true but our nightmares have.

Chandigarh **S. MAURIA**

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FAMILY BUSINESS

The news of Rajiv Gandhi's assassination shocked everybody. But what shocked me even more was the possibility of Sonia Gandhi being made the next prime minister ("Succession Shenanigans", June 15). The only good outcome of Rajiv's assassination, I thought, was the end of the Nehru-Gandhi dynasty. People should be elected to office because of their personal achievements, not a famous last name.

Chicago, US **V. THOTAPALLI**

■ Sonia Gandhi deserves all praise for refusing the presidentship of the Congress(I). Thank God Rahul is only 21. If he was 25 the Congress(I) leaders would have compelled him to become their chief.

Madras **V.N. NARAYANASWAMY**

AVOIDABLE DISPLAY

Your excellent coverage of Rajiv Gandhi's assassination was marred by gruesome pictures of the mangled body of the former prime minister ("Planned, Precise, Pulverising", June 15). While fate denied Rajiv dignity in death, it was cruel to sensationalise it.

Bangalore **D.S. MAHANTY**

SECURITY SIEVE

The assassination of Rajiv Gandhi has once again exposed the appalling inefficiency of the security system for important leaders ("An Avoidable Calamity", June 15). VIP security works in a stereotyped manner, with a complete lack of imagination. Security for national leaders, it seems, is more visual than actual.

Ranchi **S.M. ASHRAF**

■ It has been more than four decades since Independence and we still have not been able to evolve either a reliable intelligence wing or an efficient security system. Our first priority today should be to direct all resources to train and maintain a truly efficient security system. Otherwise, India will continue to remain at the mercy of mercenaries.

Digboi **R.K. MAHESHWARI**

AN EMOTIONAL CHORD

Rajiv Gandhi's assassination evoked much sorrow from our shocked readers. About 130 of them wrote to express their grief and anguish. Not only at the loss of a life but also at the ominous portents for the country. Barbaric, horrifying, heinous were some of the adjectives used. While some readers were circumspect about the future of a violence-scarred society, others felt that India would soon bounce back and find its identity.

Some looked at it philosophically and felt that sacrifices were required of all leaders. One angry reader reported that shopkeepers in Srinagar who had no qualms about observing a bandh after Zia-ul-Haq's death refused to mourn Rajiv's. Quite a few thought there was a silver lining: the possibility of the party growing democratic roots and an end to dynastic rule. Most seemed grateful to Sonia Gandhi for refusing the party's presidentship.

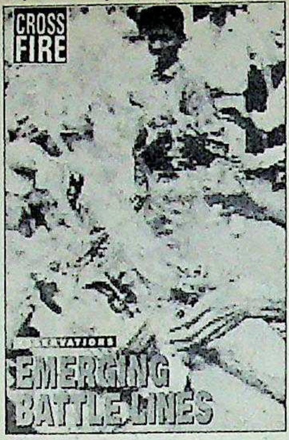
A few had their own choice for the Congress(I) leader—three plumped for the "young and dynamic" Madhavrao Scindia, one for Sonia because she alone could "hold the party together", and one even for Maneka Gandhi.

Two readers questioned our ethics in publishing photographs of the mangled body of Rajiv Gandhi.

BRAHMINICAL BIAS

The debate on reservations ("Crossfire: Emerging Battle Lines", May 31) succeeded in expressing the feelings of different classes. But urban elite like Veena Das, Chandan Mitra and Dileep Padgaonkar represent only the Brahmin point of view. The question is why all senior positions in the Government are held by the upper castes. Merit, it must be remembered, is not the personal property of the upper castes.

Hassan **C.A. UMESH**



The British supplied opium to the Chinese for they knew it could be exploited later. In India, politicians will supply the opium of Mandal in lieu of education.

Lucknow **ANJANA AGNIHOTRI**

One is not opposed to reservations but their method. If a high jumper is to succeed, he is coached for it. The bar is not lowered.

Bombay **SUBHASH KARNIK**

■ Veena Das is only partially correct when she says minorities in the US do not demand reservation for vacancies and simply rely on the fair-mindedness of institutions. Actually, two basic categories of affirmative action programmes can be identified: coercive and voluntary. The voluntary category includes plans adopted by an employer on its own volition. Das has obviously referred to this category alone.

New Delhi **PARTHA S. GHOSH**

DISAPPOINTING TREND

The article on courting ("An Open Embrace", May 15) was disappointing. Granted that Indian society is evolving with current world attitudes, breaking with many traditions which could perhaps be considered oppressive to freedom. The information explosion is responsible for this switch to the western way of life. But in the West, there is a move to the contrary.

Frankfurt **HERBERT REININGER**

SUPERFICIAL DISCUSSION

The participants in the debate on secularism ("Crossfire: Contentious Credo", May 15) did not touch upon the roots of communalism. Nehruvian secularism was not an honest approach to the problem of Indian nationhood. What we really need to debate is the type of secularism which will suit us.

Firozabad **RAJNI KANT JAIN**

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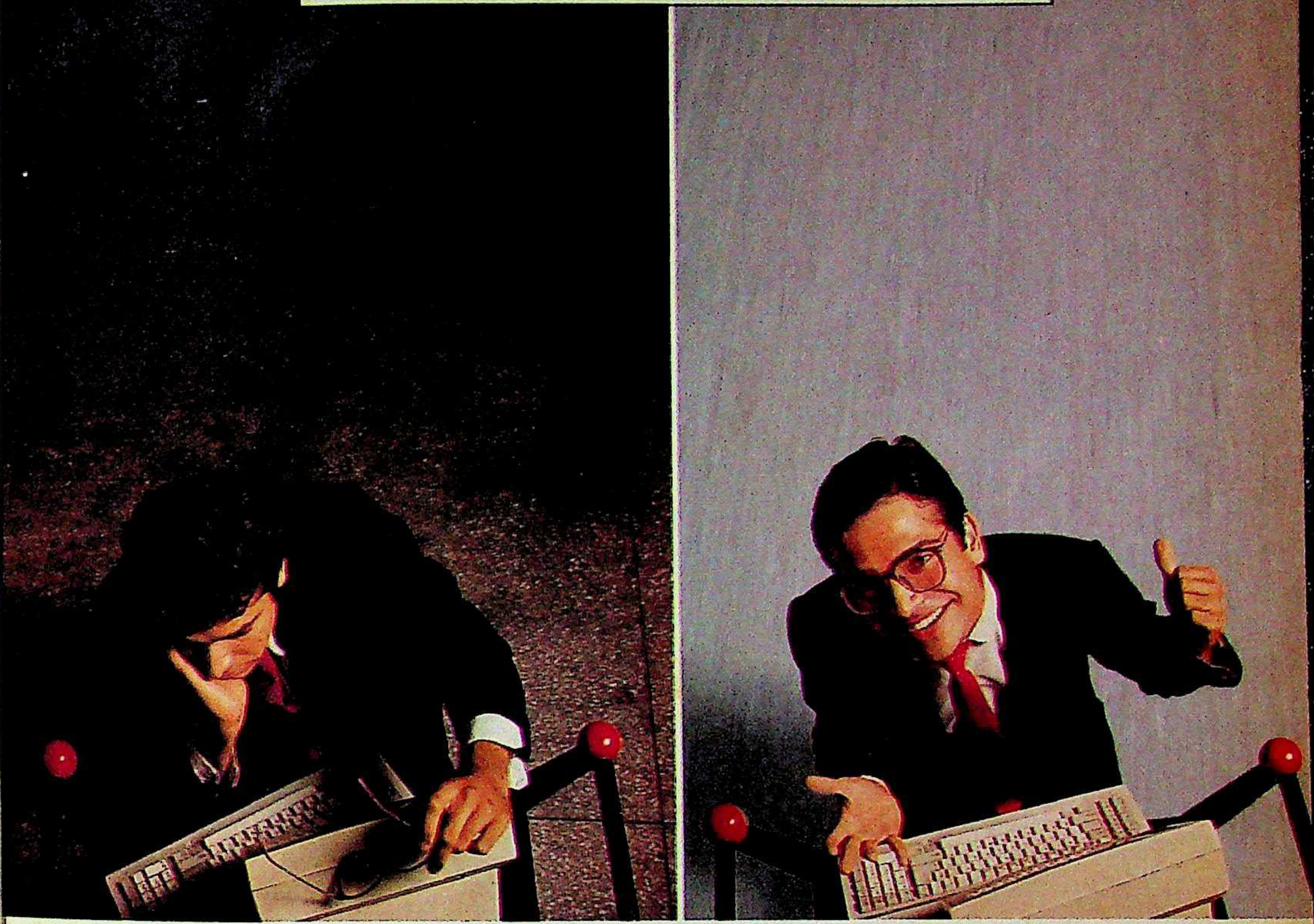

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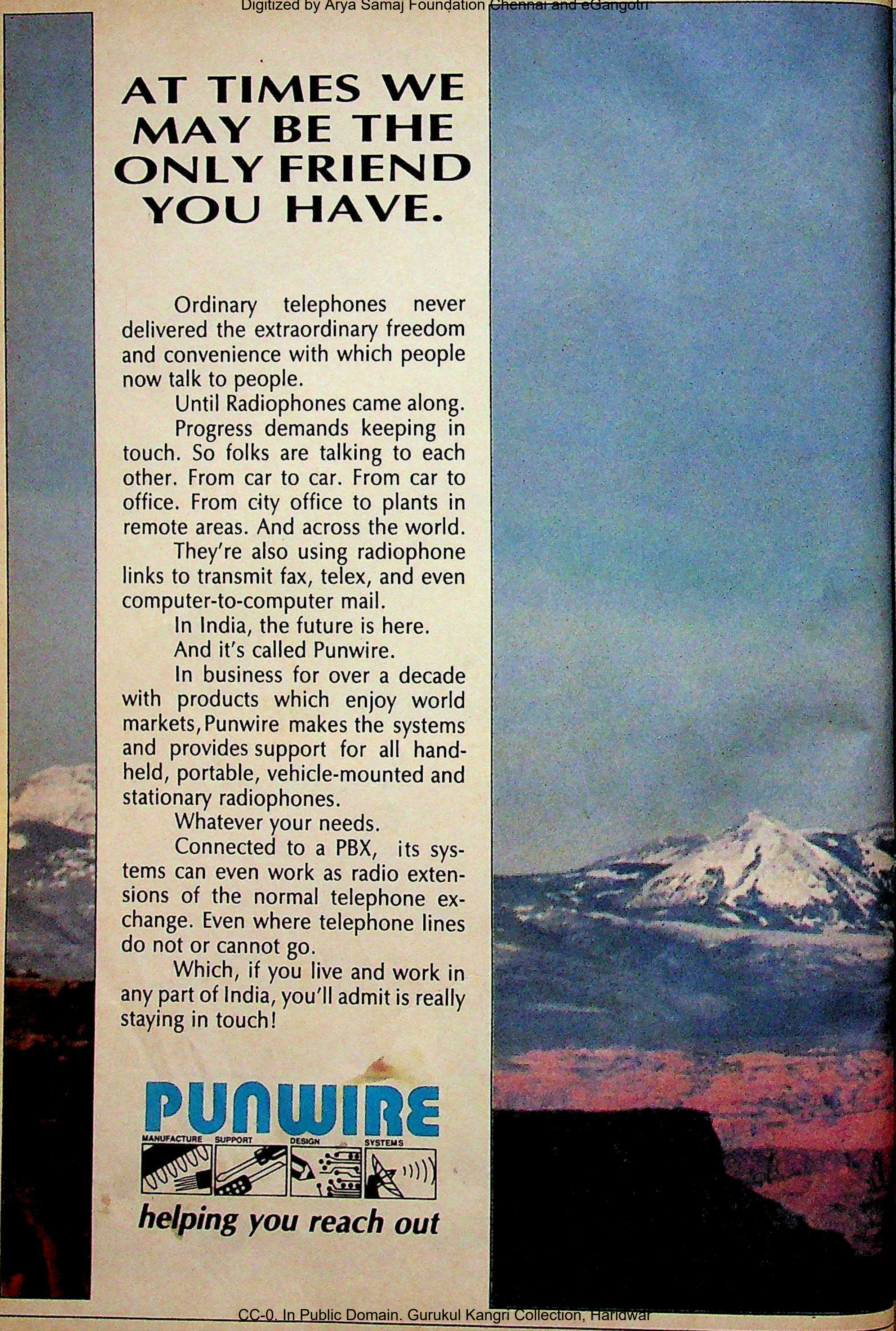

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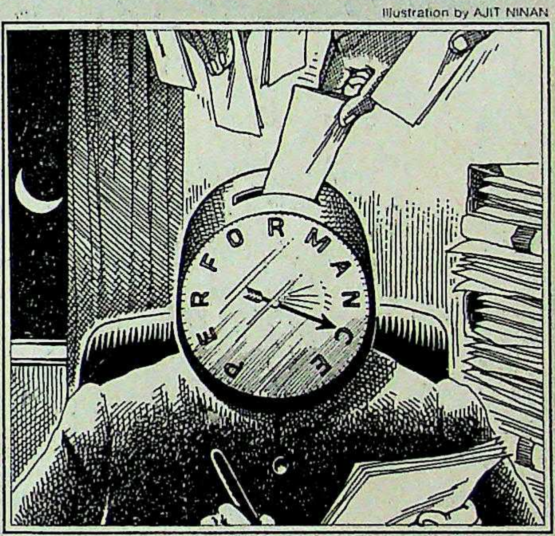
Perform, or Else...

IN terms of the mathematics of percentages, seats and majorities, the results of the elections to the Tenth Lok Sabha may seem confusing. To elicit scientific meaning out of the final tally is work nicely cut out for psephologists. But even if the results appear confused, this does not mean that the Indian voter was in any way confused. His verdict is clear, it is decisive, it is loaded with lessons. Politicians would do well to apply a little common sense to evaluate the outcome rather than duck behind ideological shibboleths or seek lame, self-serving explanations.

For the professional doomsayers who glibly predicted that this election would polarise the country into armed camps with either Hindutva or Ram cutting divisive swathes across the entire national landscape—and the politicians who had hoped to reap political dividends by harvesting hatreds and insecurities—this election must have come as a disappointment.

In addition to the sympathy factor that may have prevailed in some regions, the results have produced a series of significant checkmates. In Bihar, where L.K. Advani's Rath Yatra was brought to an abrupt halt following his arrest, the Mandal wave cancelled Ram in what was a relatively peaceful poll. In Uttar Pradesh, which had exploded into an orgy of violence after V.P. Singh's announcement on implementing Mandal report, the BJP's Ram card effectively doused casteist fires. In that sense, the spectre of either a communal or casteist wave dominating the entire Bihar-Uttar Pradesh belt never really materialised.

Illustration by AJIT NINAN



But there is perhaps an even more significant lesson in this election as also its most potent message: voters will not tolerate bad governments or bad politicians. They want a government that works effectively and in the public interest. Nowhere was this better illustrated than in Rajasthan, Madhya Pradesh and Himachal Pradesh where the people simply punished the government in power—the BJP—for its abysmal administrative failures. Ironically, in Uttar Pradesh, the BJP benefited from this same effect. It was able to make productive use of its Ram platform largely because of the existing backlash against the Mulayam Singh Yadav regime which was corrupt, ineffectual and tried to harvest the Muslim vote bank by unleashing unprecedented state repression during the Ayodhya crisis. Today Mulayam Singh's group stands decimated.

Farther south, in Andhra Pradesh, the Telugu Desam fared worse than expected partly because of a sympathy wave but significantly because the electorate remained unimpressed with N.T. Rama Rao's gimmicks. In Karnataka and Kerala, voters rebelled against ineffectual regimes. And in the east, in Orissa, the Janata Dal suffered the same fate because of the sullied reputation of the Biju Patnaik Government, while in Assam Congress(I) gained at the cost of a paralysed and faction-ridden AGP government. This same trend of anti-establishment voting also manifested itself in Bihar albeit for a different reason. Laloo Prasad Yadav is still the quintessential anti-establishment regional leader. His message to his people packs a powerful punch: he has not only been fighting New Delhi but also his own police and bureaucracy (read establishment); and he needs to be given a stronger mandate to govern effectively.

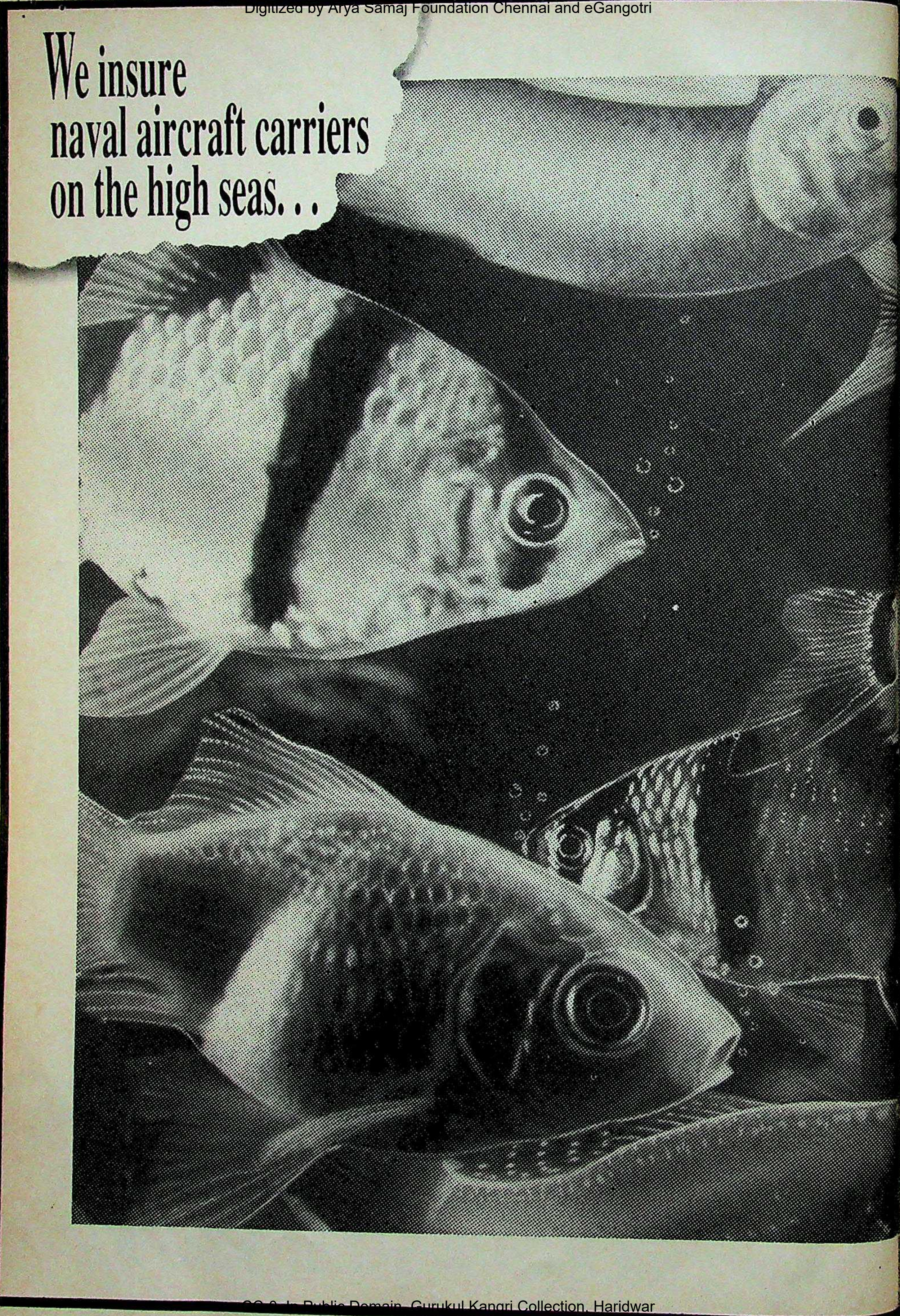
BUT even Laloo would do well to keep in mind—as would a BJP government in Uttar Pradesh—that gimmicks and regional appeals will work up to a point. Beyond that the voters are interested only in quality performance and will kick anyone out who fails that crucial test.

Few controversial leaders were spared the voters' sharp political axe. Devi Lal fell in Haryana, J.B. Patnaik in Orissa, Gundu Rao and R.K. Hegde in Karnataka. The results in Maharashtra serve to bolster this argument. Compared to most parts of the country, the state Government—even though it has been rocked by occasional scandals—has been relatively effective and efficient. Rajiv Gandhi's death may have driven up the pro-Congress(I) results a few notches, but the conclusion is inevitable that a good government is the best insurance for votes and no casteist or communal appeals can counter this force at the hustings.

The voter is in no mood to stomach any more nonsense from the politicians or the political parties he elects. He is looking for a good, decent, stable, and able government capable of delivering the goods speedily and efficiently without getting bogged down in ideology or futuristic political calculations.

The country and government have been on hold since 1989. The people are now sick and tired of politics for the sake of politics. The new configuration at the Centre must reflect this popular sentiment. The experiment of supporting a party with the largest number of seats from outside has proved counter-productive for the national good. All it achieves is instability. The national interest demands that parties which want to support a non-BJP government join the Government at the Centre or even merge with the dominant party so that the country can get moving again.

The issues before any government are crystal clear. They are not Ram, Mandal, or Marxism. The nation needs a working arrangement at the Centre that can quickly tackle the economic crisis with bold measures and concentrate on providing basic necessities to the people such as clean drinking water, primary medical facilities, a clean environment, mass literacy, family planning, better communications. But above all, a government that delivers.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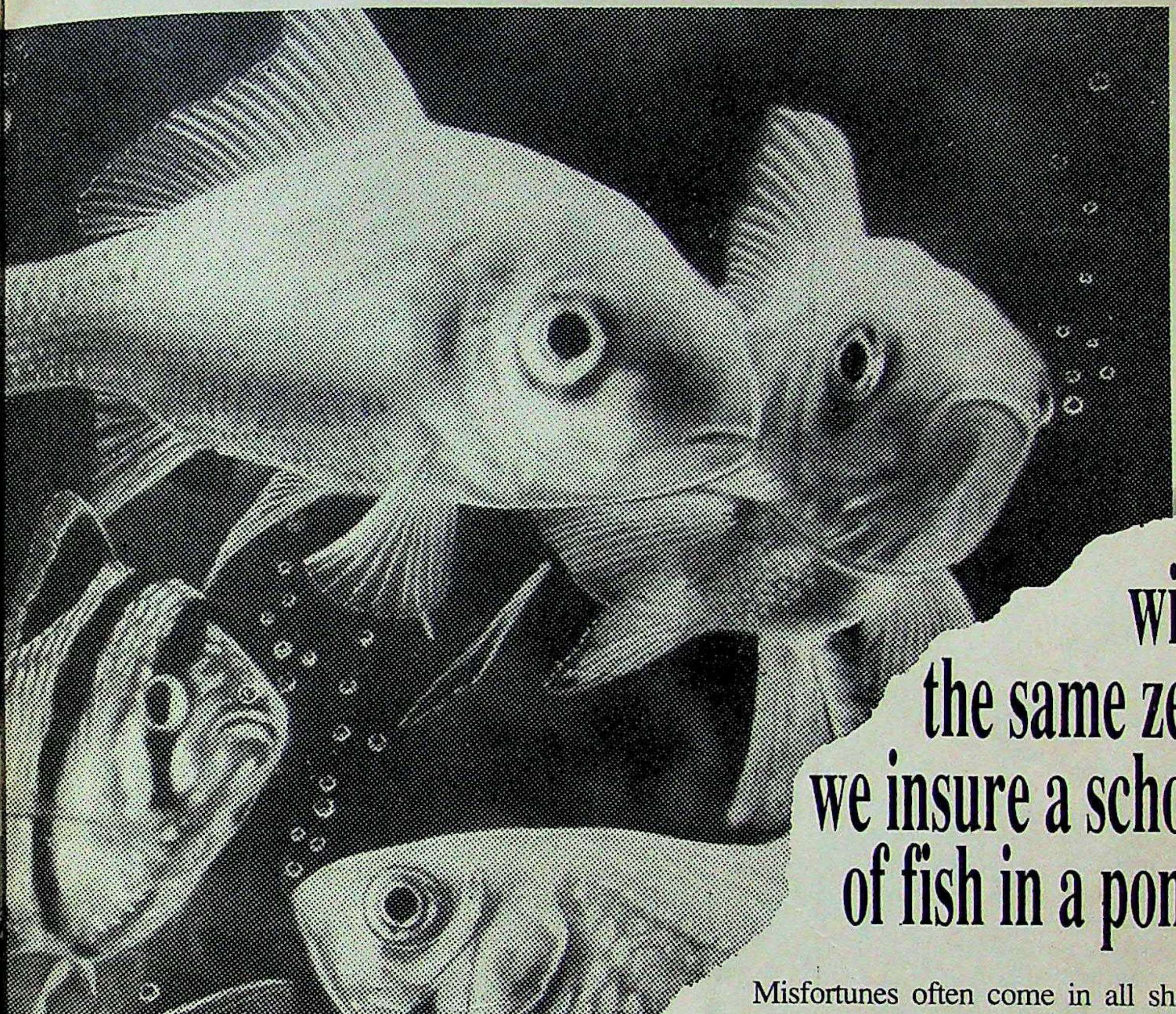

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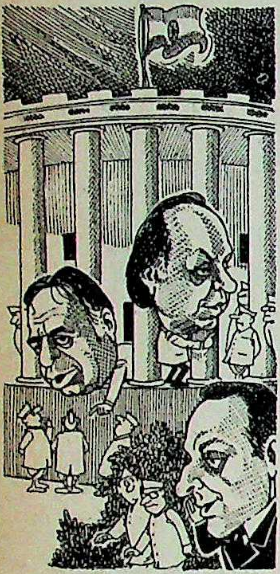
Money Games

● Nothing appears to suddenly draw captains of Indian industry to the capital as an imminent change in government. And if their behaviour in late 1989 or June 1991 is any indication, it is no mere academic curiosity in the working of the world's largest democracy that brings them to the centre of political lobbying.



The country's major industrial houses have a stake in the political parties which they have always liberally funded. And in the absence of a pre-eminent leader like Rajiv Gandhi, they are as concerned about who eventually becomes prime minister. They are willingly liberal with the purse-strings to back their candidate.

This time was no exception. Prominent around town during the period were R.P. Goenka, Rahul Bajaj, Ajit Gulabchand, Nusli Wadia, the Ambanis and the Birlas among others. If anything the industrialists were even more active since Maharashtra Chief Minister Sharad Pawar is a man with whom at least the Bombay-based ones have a fairly close relationship. Despite considerable support from them, Pawar was on a losing wicket. But that has not certainly ended the business tycoons' curiosity in the political business.

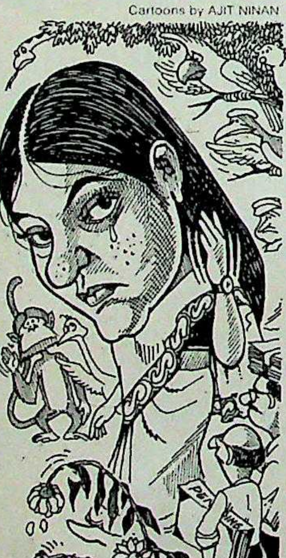
Green Blues

● Losing the Pilibhit Lok Sabha constituency was bad enough. But worse was the loss of Ms Green's beloved Environment and Forests Ministry. And that moved Maneka Gandhi to tears.

When the ministry bid her farewell last fortnight, Maneka reportedly confessed: "I kept weeping the whole day." And it wasn't her staff she was crying for. Like any dyed-in-the-wool environmentalist, she exhorted the staff to continue to fight for the Green causes.

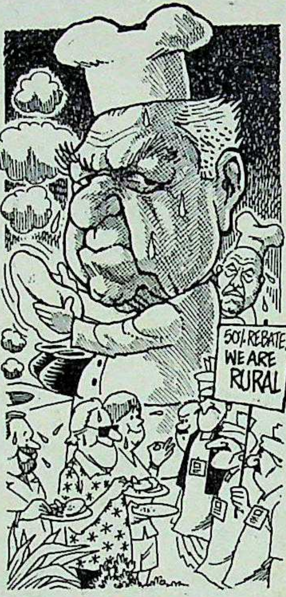
Maneka had done her job with missionary zeal. She went after errant state governments and made bonfires of animal skins. The only question mark came with the sudden about-turn in her position on building hotels on Goa's beaches.

Cartoons by AJIT NINAN



Five-star Village

● Former deputy prime minister Devi Lal brought cows and buffaloes into the five-star splendour of Ashoka Hotel to reiterate his position as guardian of rural India. He also virtually forced the India Tourism Development Corporation (ITDC) into opening Chaupal, an open-air restaurant with a village ambience. The idea was to attract the rural folk.



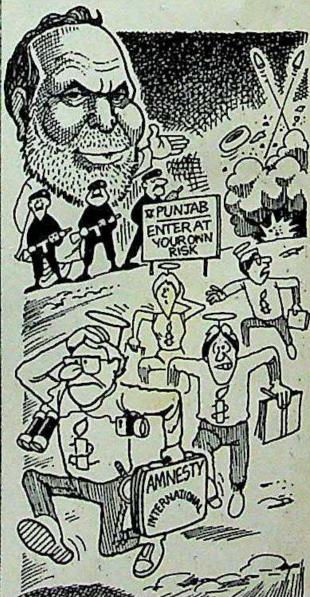
A reluctant ITDC put together the rural eatery in a tearing hurry. The doors of Chaupal were thrown open on September 25 last year, and a 50-per cent discount offered to villagers.

Against all expectations, the restaurant is doing well but no thanks to Devi Lal. Foreigners love the rural ambience, and have flocked in. The ruralites, however, are nowhere to be seen. According to an ITDC official only four people, carrying certificates of the sarpanch have come forward in the last 10 months, "and those four too looked anything but rural".

Advantage India

● Amnesty International, the human rights organisation, is in a pickle. Rajiv Gandhi saw it as a foreign, destabilising force. His successor, Chandra Shekhar, took a far more benign attitude towards it and its long-pending request to investigate human rights violations in Punjab.

According to senior External Affairs Ministry bureaucrats, Chandra Shekhar had agreed in principle to permit Amnesty representatives to visit Punjab. What he could not provide was armed protection. He felt Amnesty members with official security may well be seen as government agents enquiring into Sikh militant atrocities. This would make them sitting ducks.



The Government informally told the organisation that such security would actually jeopardise their lives. So, while they were welcome to visit Punjab, they would have to take charge of their own safety. This was something Amnesty had not reckoned with. So, now the ball is in the organisation's court. Advantage India!

TAIL PIECE

(Overheard)

Maverick politician, Dr Subramanian Swamy, on the future of the mauled Samajwadi Janata Party: "From here the party can go only one way—up."

Added a wag: "...into thin air!"

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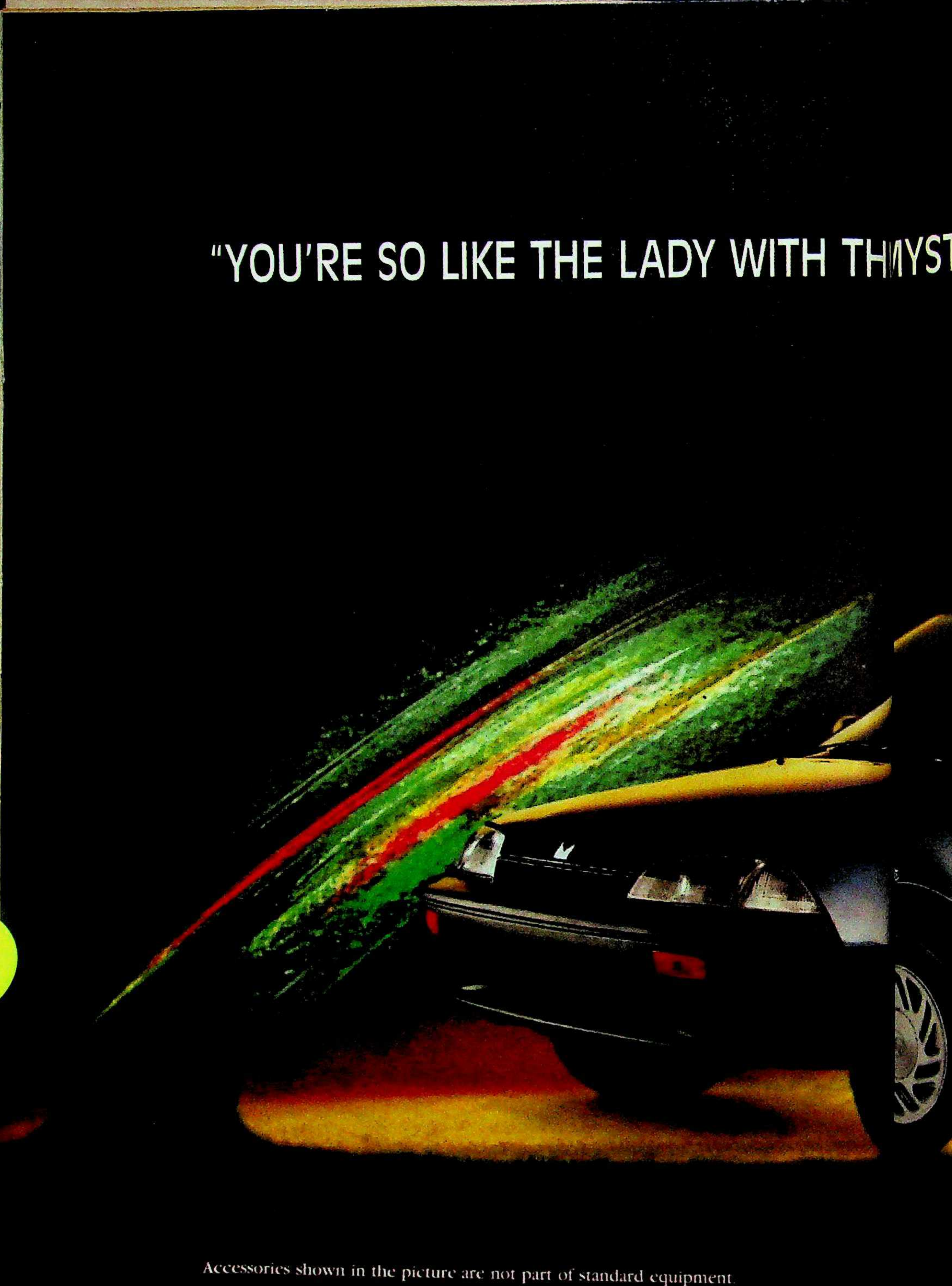
"YOU'RE SO LIKE THE LADY WITH TH MYST

Accessories shown in the picture are not part of standard equipment.

To those who will question, Mona Lisa's mystic smile will always remain an enigma. Does it beguile? Or simply rue a moment of weakness? The mystery endures, in the words of an old favourite song. The Maruti 1000 evokes the same strange but irresistible attraction, echoes of which linger on in the haunting melody of "Mona Lisa". And, if you see the Maruti 1000 as a lovely work of art, why then, go put a song in your heart.

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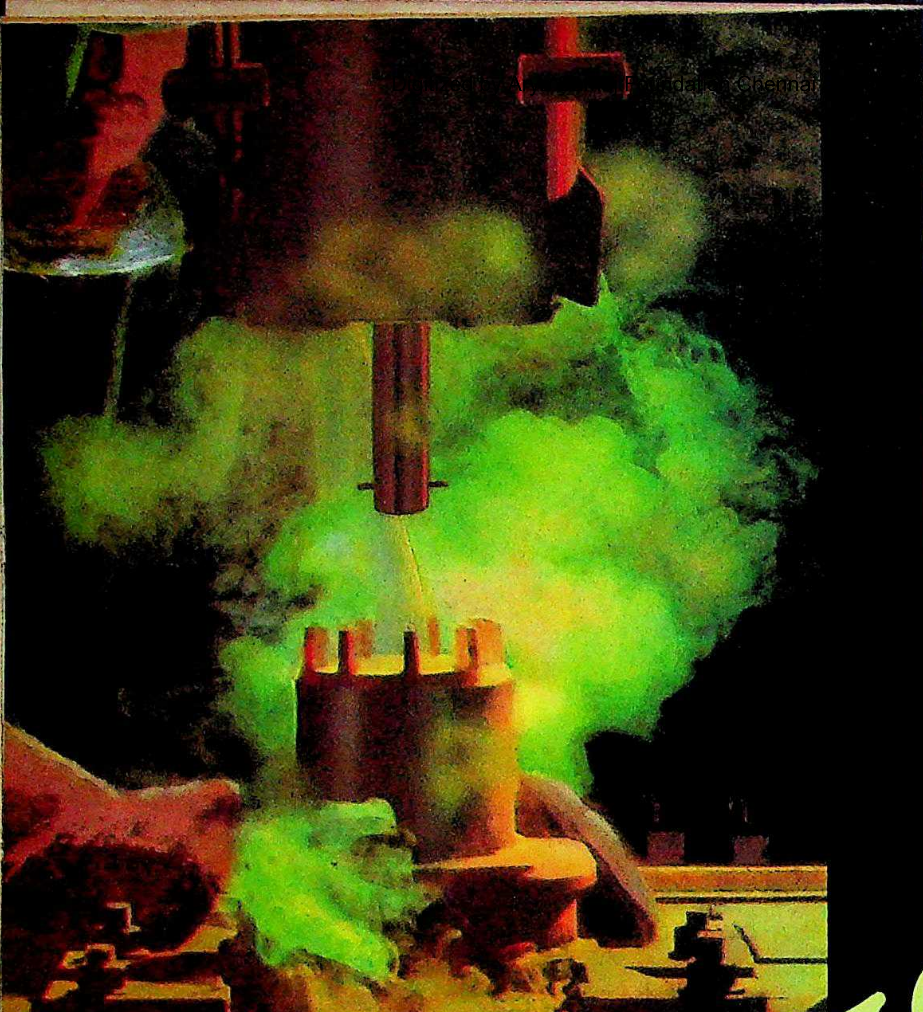

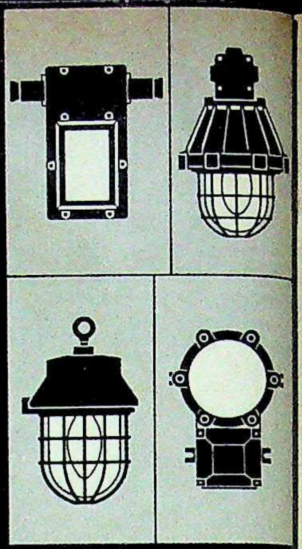

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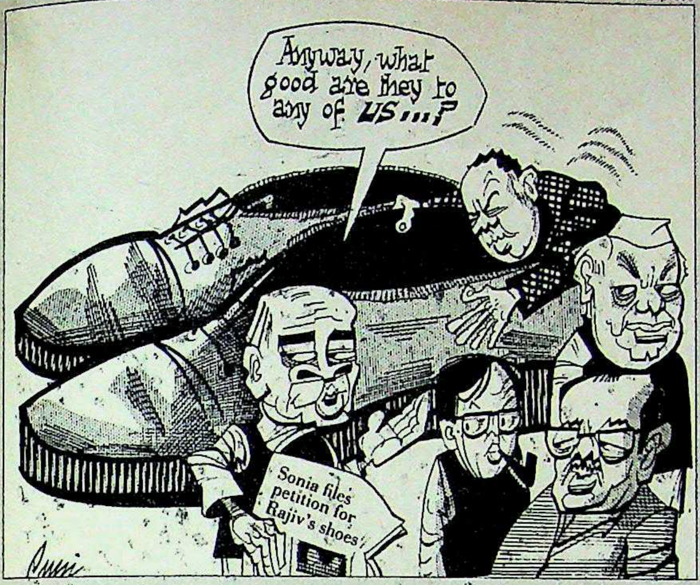
Anyway, what good are they to any of US...?
Sonia files petition for Rajiv's shoes

- *That is the way he was, that is the way the children and I remember him—always smiling.* ■ SONIA GANDHI in *The Gulf News*

- *If the Congress can go back to the old days, when people sacrificed for a cause, I think many will join the party.* ■ BIJU PATNAIK in *The Telegraph*

- *Jawaharlal Nehru considered everything relating to Hindu to be communal, but we do not believe that.* ■ MURLI MANOHAR JOSHI in *Organiser*

- *For Laloo Prasad, two qualifications are essential in any person he wants to support—the person must be a criminal, and he has to be a* jaat-bhai. ■ AJIT SARKAR, CPI(M) candidate from Purnea, in *The Sunday Observer*

- *The* CPI(M) *is making love to the Congress in spite of its marriage with the National Front.* ■ L.K. ADVANI in *The Sunday Times of India*

- *In the name of Ram, the Shiv Sena is promoting Nathuram.* ■ SHARAD PAWAR in *The Telegraph*

- *How can the* BJP *talk of stability when they cannot even get near the majority mark?* ■ P.V. NARASIMHA RAO in *The Independent*

- *It is high time that pollsters in India cease to be tricksters.* ■ S. JAIPAL REDDY in *The Telegraph*

- *The* BJP *means* Bhago Janata Pakregi. ■ MADHAVRAO SCINDIA in *The Hindustan Times*

- *Being editor of the* Times of India *is the second most challenging job in the country. I am not the contender for the most challenging one and the rest are of no consequence.* ■ DILEEP PADGAONKAR in *Society*

- *Enough is enough, no more cinema for me.* ■ ASHWINI NACHAPPA ace sprinter who starred in Telugu film *Aswini* in *The Tribune*

- *It takes a courageous man to give them a break.* ■ DEV ANAND on why he has newcomers in his films, in *Stardust*

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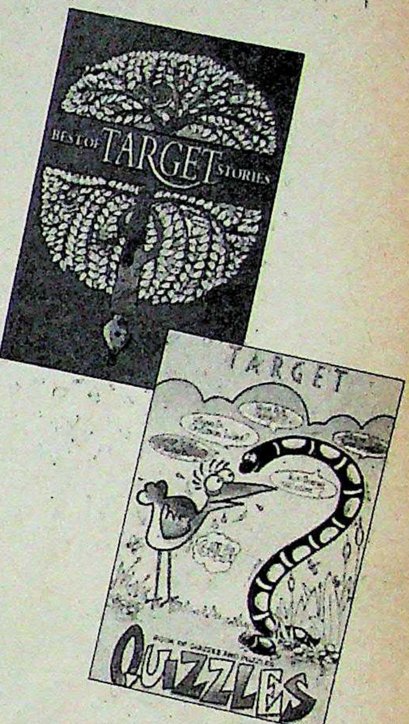

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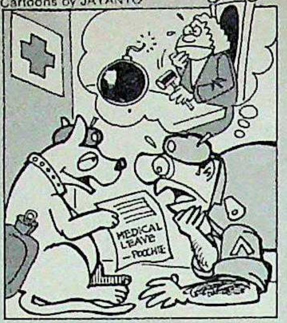
PRIVILEGED POOCH

■ No dog ever had his day, you said? Well, not quite. It would seem that the Chandigarh Police believe in taking cliches literally. It all began last fortnight when a top gun in the city police department received an anonymous phone call informing him that a bomb had been planted in the premises of the district court. Metal detectors and other hi-tech gizmos were produced with great alacrity, as the officer had ordered an immediate scanning of the area.

Cartoons by JAYANTO

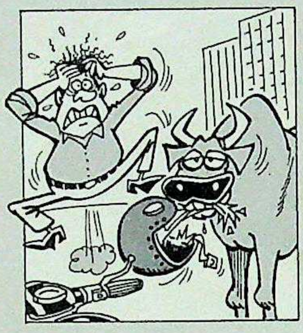


A judicial official, one of the helpful variety, promptly suggested that the department's ace pooch be summoned from the dog-squad to lead the pack. But, his attempts at being helpful came to naught for the cool canine was apparently catching up on his sleep. Couldn't its sleep be deferred to another day, ventured our legal aide. Not really. As it turned out the dog was on medical leave. Maneka Gandhi, please take note.

METALLIC MEAL

■ Drivers in the capital may be cowed by erratic traffic rules and regulations, but the city's cows obviously refuse to cowtow to the law of the road—at least going by the experience of a certain young man who unfortunately left his helmet to the mercy of one of these bovine beasts.

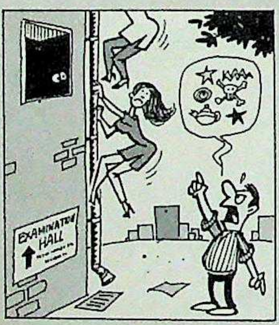
The situation was typical of a Delhi midsummer afternoon. The scene: the parking area outside a building. A young man drove up on his motorcycle and parked, thinking to himself that his precious vehicle would be safe from all kinds of hazards. Exit the young man into the building and enter a cud-chewing friend, which then proceeded to make a hearty meal of the inner-cloth lining of the helmet and even edges of the steel top. By the time the young man returned to the scene of the crime, the steely meal had been consumed—with our hero losing his helmet and perhaps his shirt as well.



SNEAKY PREVIEW

■ Where the capital leads, can other cities be far behind? At least, not as far as the matter of question-paper leakages is concerned.

The centre of the action was the examination hall of Asutosh building situated on the College Street campus in Calcutta. The culprits were three women legal eagles who tried winging their way to an early success.



The three candidates were inching their way up the building's drainage pipes, hoping to get an edge on their examiners. This ingenious method was employed to deposit some chits with solutions scribbled on them in the examination-hall, four hours before testing time. But the unfortunate girls barely managed to get high enough before they were literally brought down by some high-minded officials and soundly reprimanded.

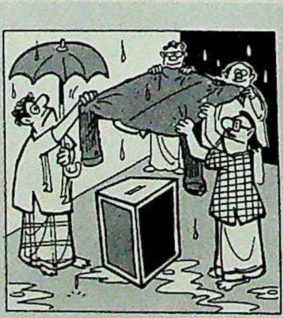
Suitably chastened, it would appear that all their hard work simply went down the drain.

WET VOTE

■ The Government of Kerala could certainly not be accused of not taking adequate precautions to face the rainy season.

This year as the Lok Sabha elections in the state were scheduled to be held during the monsoon, they took no chances at all. One lakh polythene covers were ordered to prevent water from seeping into the ballot boxes. But as it turned out the boxes were four times larger than normal as a result of which they fell short of polythene covers.

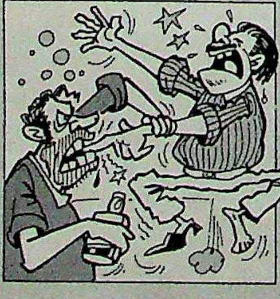
In order to prevent a wet vote, the officials promptly ordered ordinary raincoats to be converted into covers for the ballot boxes. Three of these covers were given to each polling booth—two to cover the ballot boxes and one for the relevant documents. What better way to prevent the votes from being diluted. And the ballot being a barrage.



TIPSY TIFF

■ For journalists who love to have a finger in every pie the recent experience of a Bombay journalist could serve as a warning.

The journalist was about to move his bike into the compound of his apartment when a passerby in an intense state of intoxication knocked down the motorbike. A scuffle ensued.



The drunk was in no state of mind to argue and instead turned his attention to the accusing finger which the journalist, as is his habit, pointed at him. The tipsy stranger then grabbed the right hand and bit the finger with all his might.

All efforts made by the screaming scribe to extricate his finger failed completely and the drunk departed only after having taken his pound of flesh.

When last heard of, the journalist was learning to type with a heavily bandaged index finger.

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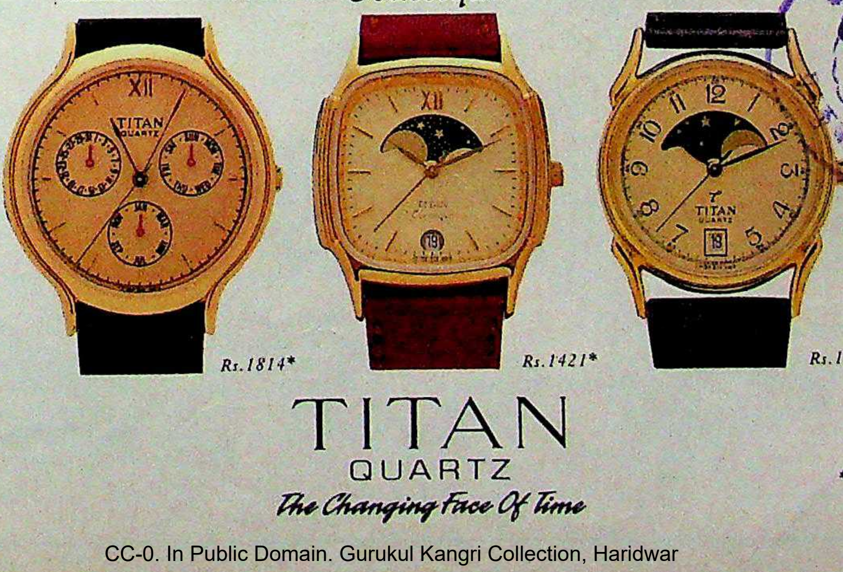

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RAJIV ASSASSINATION

The Inside Story

The LTTE team which carried out the meticulously planned killing was put together by Pirabhakaran in October 1990 in the forests of Jaffna.

By ANIRUDHYA MITRA in Madras

ONE month after the brutal assassination of former prime minister Rajiv Gandhi, the crack special investigation team (SIT) has managed to edge considerably closer to unravelling the complex plot behind the shocking crime that stunned the nation.

The exhaustive investigation process and interrogation of key suspects picked up so far have established that the plot to kill Rajiv Gandhi was first hatched in October 1990 deep in the jungles of Jaffna. The motive is now understood to have been related to the political tremors then emanating from New Delhi. The then prime minister V.P. Singh was battling for survival following a threat by the BJP to withdraw support to his minority National Front government. Across the Palk Straits, in the forest hide-outs of Jaffna in north-eastern Sri Lanka, the LTTE leadership met for a crucial assessment of the situation. The meeting decided that the chances of Congress(I) president Rajiv Gandhi returning to power were now almost certain. For the extremist organisation struggling for Tamil Eelam, this meant a possible re-induction of the IPKF in Sri Lanka and a certain crackdown on the elaborate LTTE network established in Tamil Nadu.

Even before the National Front government finally collapsed, the LTTE had made up its mind to prevent Rajiv Gandhi from regaining power even if it required the ultimate deterrent—his

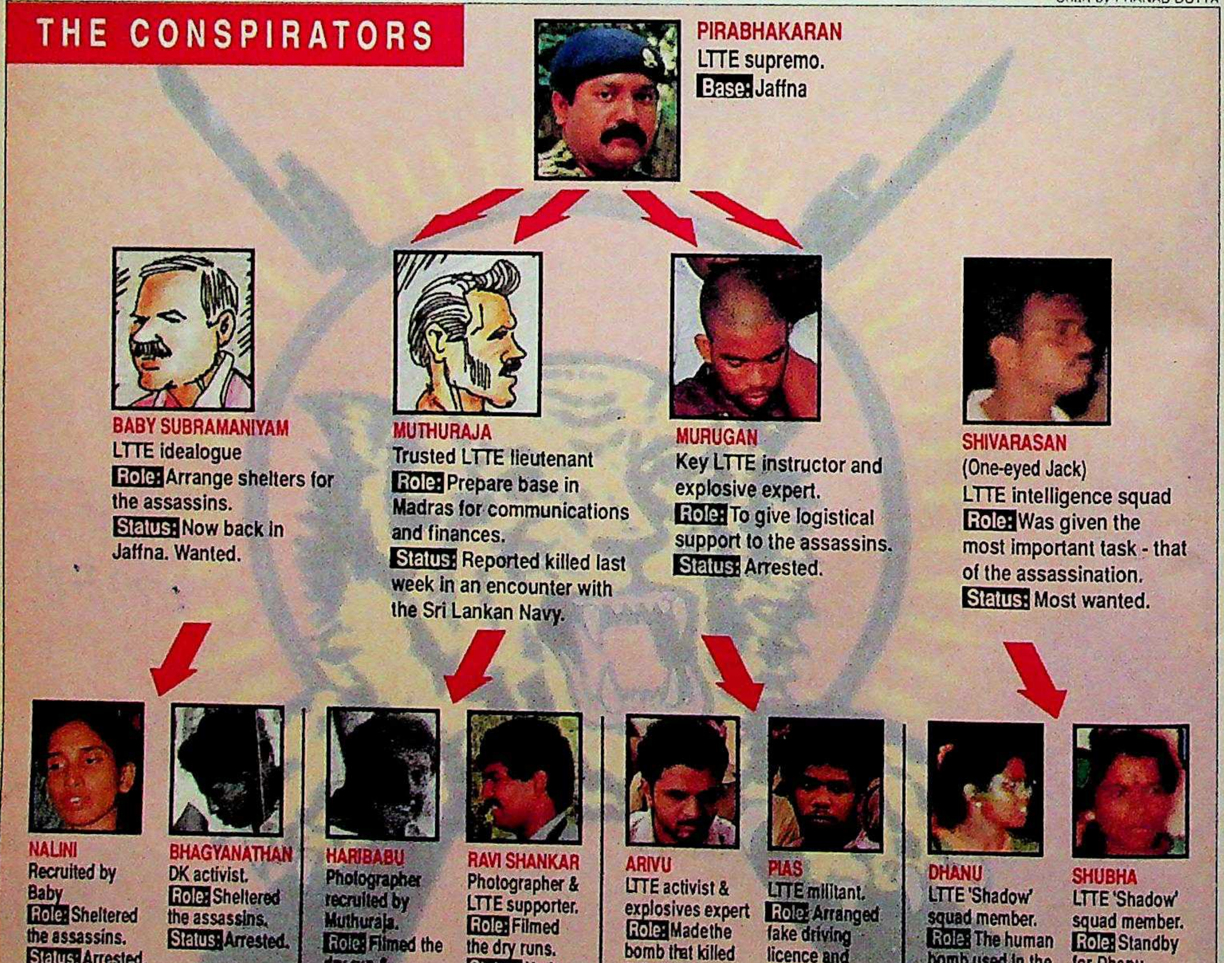


Chart by PRANAB DUTTA

THE CONSPIRATORS

PIRABHAKARAN
LTTE supremo.
Base: Jaffna

BABY SUBRAMANIYAM
LTTE idealogue
Role: Arrange shelters for the assassins.
Status: Now back in Jaffna. Wanted.

MUTHURAJA
Trusted LTTE lieutenant
Role: Prepare base in Madras for communications and finances.
Status: Reported killed last week in an encounter with the Sri Lankan Navy.

MURUGAN
Key LTTE instructor and explosive expert.
Role: To give logistical support to the assassins.
Status: Arrested.

SHIVARASAN
(One-eyed Jack)
LTTE intelligence squad
Role: Was given the most important task - that of the assassination.
Status: Most wanted.

NALINI
Recruited by Baby
Role: Sheltered the assassins.
Status: Arrested.

BHAGYANATHAN
DK activist.
Role: Sheltered the assassins.
Status: Arrested.

HARIBABU
Photographer recruited by Muthuraja.
Role: Filmed the dry run & assassination.
Status: Died in blast.

RAVI SHANKAR
Photographer & LTTE supporter.
Role: Filmed the dry runs.
Status: Under interrogation.

ARIVU
LTTE activist & explosives expert
Role: Made the bomb that killed Rajiv Gandhi.
Status: Arrested.

PIAS
LTTE militant.
Role: Arranged fake driving licence and harboured Shivarasan.
Status: Arrested.

DHANU
LTTE 'Shadow' squad member.
Role: The human bomb used in the assassination.
Status: Killed in the blast.

SHUBHA
LTTE 'Shadow' squad member.
Role: Standby for Dhanu.
Status: Wanted.

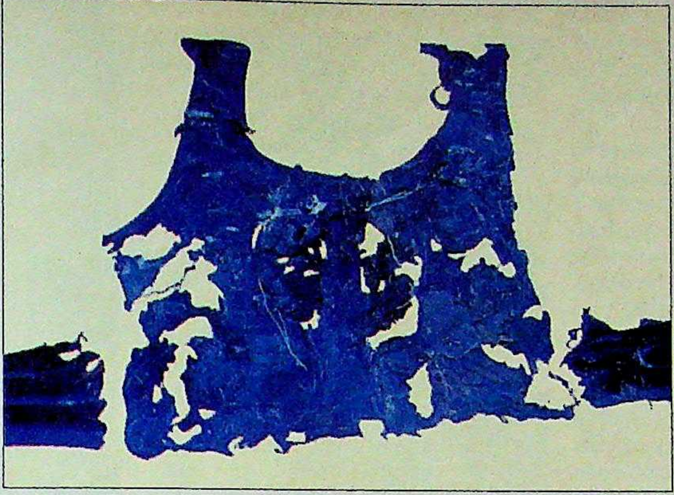
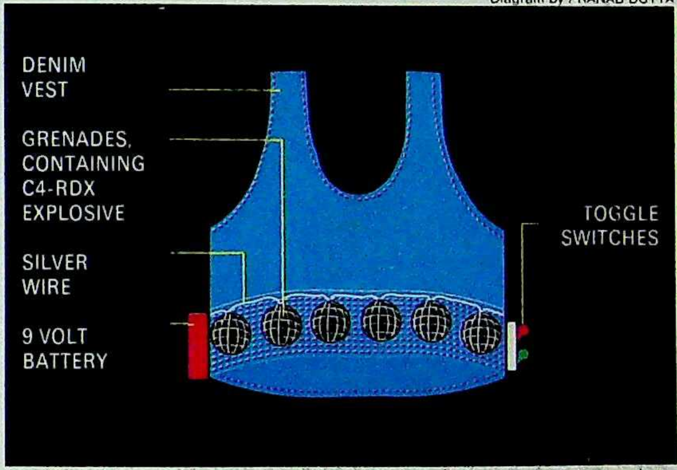


Diagram by PRANAB DUTTA



The denim jacket put together from pieces at the blast-site

assassination. By early November 1990, the V.P Singh government was voted out and Rajiv Gandhi was virtually back in power, shooting from behind Chandra Shekhar's shoulder. The possibility of a mid-term poll loomed ever larger. The LTTE was getting desperate.

Realising that Rajiv as prime minister would be a near-impossible target, it was decided that they should strike while his security status was still that of an opposition leader and election campaigning would render him even more vulnerable. In end-November, the elusive LTTE supremo Pirabhakaran, having decided on the physical elimination of Rajiv Gandhi, summoned four trusted lieutenants—Baby Subramaniyam, Murugan, Muthuraja and Shivarasan—to finalise the contours of an assassination plot. Subramaniyam and Muthuraja were summoned from Madras where they were staying at the time.

In the first week of December, Pirabhakaran made his decision known to the four members of the team he had summoned. The actual details of the operation were left to them but each was assigned a specific task.

- Baby Subramaniyam, a prominent ideologue of the LTTE, was operating from Madras running a printing press publishing LTTE literature. His task was to prepare a back-up team that would arrange shelter for the assassins before and after the killing.
- Muthuraja was asked to prepare a base in Madras to ensure proper communication facilities, couriers for messages and the smooth distribution of money for the assassins.
- Murugan, a key instructor and an explosive expert of the LTTE, was asked to take over the assignments from Subramaniyam and Muthuraja after their departure for Jaffna.
- Shivarasan, the much wanted man today, who has been labeled "one-eyed-Jack" was given the most important task—the actual assassination.

The assassination plot received further impetus with the dismissal of the DMK government led by M. Karunanidhi in Tamil Nadu. Karunanidhi's government was dismissed on grounds of having encouraged the LTTE movement in the state—not entirely baseless as Karunanidhi on his campaign trail, before the assassination, portrayed the fellow Tamils' cause in Sri Lanka as just and noble.

IMPOSITION of Central rule in Tamil Nadu was a major setback for the LTTE. The decision to dissolve the DMK government—though essentially political and under tremendous pressure from the Congress(I) and the AIADMK—was taken following a series of reports filed by the Intelligence Bureau (IB) revealing the growing informal relationship between the followers of the DMK and the LTTE.

But even though the IB had established Karunanidhi's sympathy towards the LTTE and its links with the DMK, it was utterly in the dark regarding the extremist group's plan to liquidate Rajiv Gandhi. The external intelligence organisation, Research and Analysis Wing (RAW), was equally clueless about the existence of the plot.

Meanwhile, by the beginning of 1991, the four lieutenants of Pirabhakaran had already set the plan in motion. Baby Subramaniyam and Muthuraja were back in Madras. Both were engaged in the crucial first stage of the plot—identifying and recruiting local people who would eventually harbour the assassination squad.

A key recruiting centre was a photo agency which had developed into an LTTE hub in Madras. Shubha News and Photo Agency was run by Shubha Sundaram who is considered to be a godfather for most of the budding photographers in Madras. Shubha's agency was visited by many Dravida Kazhagam (DK) members also. The DK, which is an extremist sibling of the DMK, has been openly sympathetic towards the LTTE.

Muthuraja and Baby Subramaniyam picked their first target—Bhagynathan—a young DK activist from Shubha's place. Bhagynathan had expressed ambitions of bringing out a political journal but lacked the financial resources. Bhagynathan's family was heavily steeped in debt and had meagre means of support. He himself managed to earn a living by supplying stationery items to a firm where his sister, Nalini, was employed as a secretary. His mother, a nurse, was working in Kalyani Nursing Home.

The crunch came when his mother was asked to vacate the quarter provided by the nursing home authorities. The family was desperate, lack of money meant they could not afford to rent a place to live in Madras. The first recruit for the assassination plot had fallen into the LTTE's lap. Baby Subramaniyam casually mentioned to Bhagynathan that he was looking for a customer for his printing press as he was thinking of switching to another business. Bhagynathan offered to take over the press provided the price was paid in instalments. Seeing Bhagynathan falling into the trap, Baby readily agreed. He sold the press to Bhagynathan at a ridiculously low price of Rs 5,000, payable in small instalments.

Baby now had also gained access to Bhagynathan's entire family which had shifted to the area where the press was located. He advised Nalini to help Bhagynathan in his new venture after her normal office hours. The press premises, in any event, offered the perfect cover for a suitable hide-out. The second stage of the operation—recruiting the entire family—had begun. Baby's strategy of convincing Nalini to help Bhagynathan run the press was starting to pay off. Nalini was exposed to the LTTE literature which was then being churned out and conveyed one key message: Rajiv Gandhi was solely responsible for the "crimes" perpetrated by the IPKF in Sri Lanka.

Nalini was easy to recruit. She was soon working on a book titled *Satanic Forces* and sub-titled Heinous Crimes of the Indian Peace Keeping Force. The book carried no comment from the LTTE except one innocuous message from Pirabhakaran: "Work is worship." The book itself was merely a compilation of sundry news reports, photographs, cartoons and editorials published in the Indian media about the negative aspects of the IPKF in Sri Lanka and the mishandling of the situation by Rajiv Gandhi's government.

Meanwhile, the second member of the recruiting team, Muthuraja, had been equally busy in Shubha Sundaram's agency. Shubha had already received a message from Pirabhakaran to cooperate with Muthuraja in a secret operation of the LTTE for which recruitment of some unknown faces was necessary. Two young photographers, Ravi Shankaran and Haribabu, fitted the requirements. Even though Shubha had fired Haribabu for being inattentive, he was deeply indebted to the LTTE for the financial support they had given him for photographic assignments. Haribabu had joined a new agency, Vigneshwar Video, but was well aware that the money being paid to him was much more than the normal assignment fee.

This was when Muthuraja informed Haribabu that someone who needed to be trained in photography was arriving from Jaffna and would stay with Haribabu as a paying guest. The new entrant in Haribabu's life, Balan, did much more than allow Haribabu to earn some extra money. He gradually brainwashed the young photographer into believing that Rajiv Gandhi was solely responsible for the brutality inflicted on the Sri Lankan Tamils and that his return to power would mean yet another bout of atrocities.

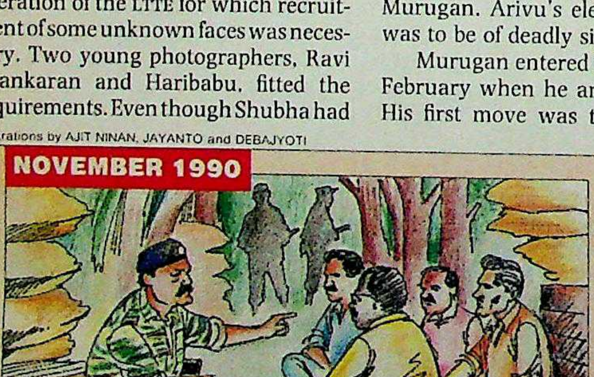
BACK in Jaffna, Murugan was preparing to make his entry onto the stage that had been set by his two accomplices in Madras. The plot was proceeding satisfactorily and according to schedule. After a series of meetings with Shivarasan in Jaffna, Murugan decided to send two young LTTE boys from Shivarasan's village, Jaykumaran and Robert Pias, to Madras. They arrived in early February. Initially they stayed at Jaykumaran's brother-in-law Arivu Perulibalan's house at Savri Nagar Extension in Porur, a suburb of Madras. Arivu, a diploma holder in computer science, had been living in Madras since early 1990. Although a dedicated member of the LTTE, he had played no active role in its subterranean activities till he was approached by Murugan. Arivu's electronic expertise was to be of deadly significance.

Murugan entered the scene in mid-February when he arrived in Madras. His first move was to shift Pias and Jaykumaran to new accommodation with the help of Arivu who had been told about the "special mission" without disclosing the target. Murugan's primary task was to give logistical support apart from providing sufficient financial support to all three. By shifting Pias and Jaykumaran to a new residence, he had

Haribabu's camera (circle

Illustrations by AJIT NINAN, JAYANTO and DEBAJYOTI

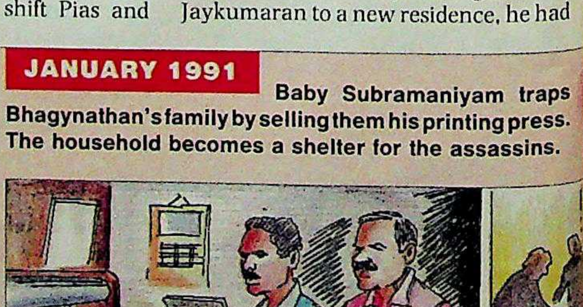
NOVEMBER 1990

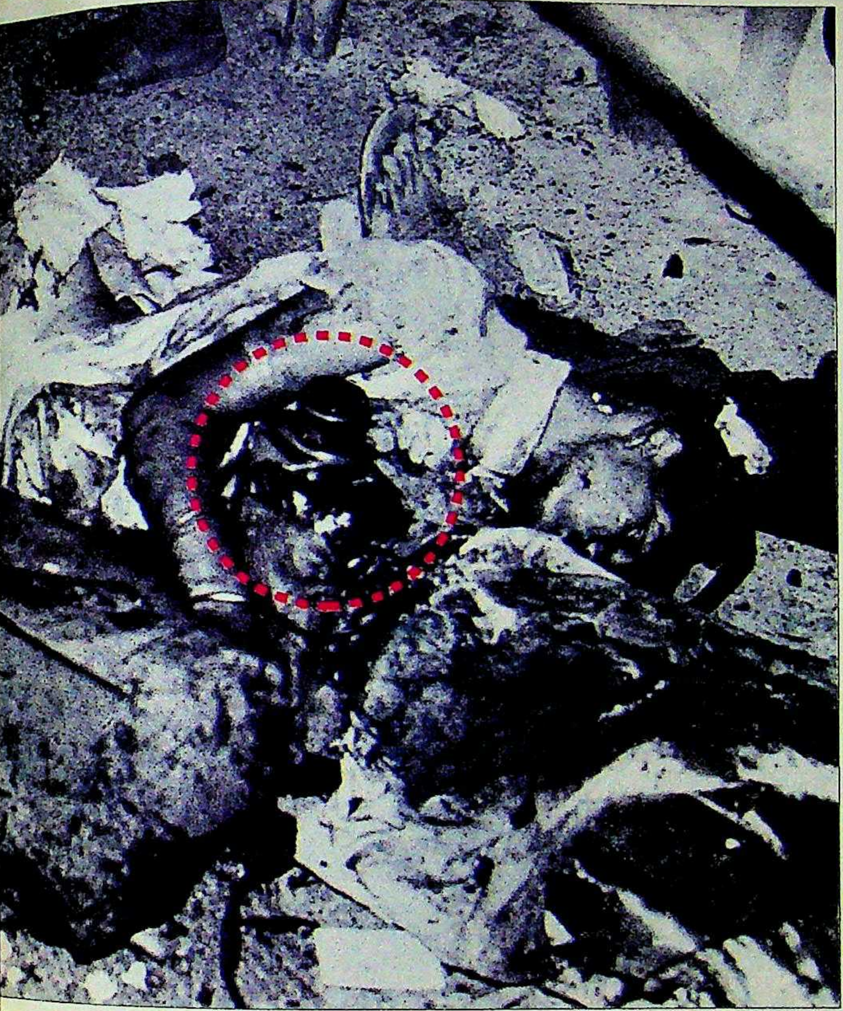


In Jaffna, LTTE supremo Pirabhakaran summons four trusted lieutenants and informs them that Rajiv Gandhi's return as PM is inevitable and so he must be eliminated.

JANUARY 1991

Baby Subramaniyam traps Bhagynathan's family by selling them his printing press. The household becomes a shelter for the assassins.





which contained the crucial film that recorded the fateful moments

also provided another hide-out for the team. Pias and Arivu were told to organise a fake licence for a two-wheeler.

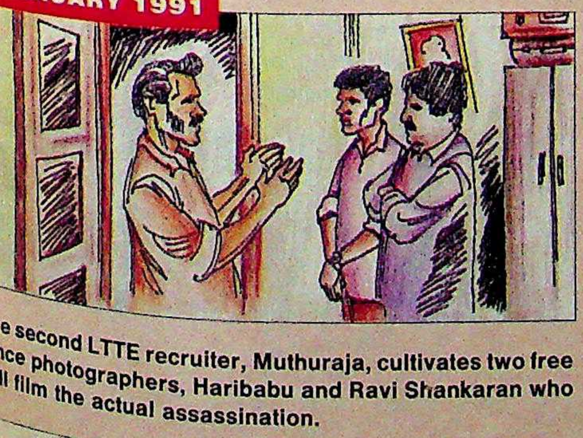
In end-February, Muthuraja introduced Murugan to Bhagynathan's family. By then, Nalini had developed a deep sense of hatred for Rajiv Gandhi at a time when his return to power was becoming imminent. Murugan thus had no problem in finalising the third hide-out. With three safe shelters, an electronic expert in Arivu who had been asked to improvise a bomb out of grenades that could be detonated by a suicide bomber, three converts in Nalini, Padma and Bhagynathan, and a recruiter in Shubha Sundaram, the plot was in place. Murugan sent a message to Shivarasan in Jaffna asking him to come to Madras. Shivarasan arrived in the first week of March. He first stayed at Pias' house in Porur where he was given a detailed briefing on the shelters and the people who had been recruited by Muthuraja and Baby Subramaniyam.

SHIVARASAN'S arrival in Madras completed the elaborate web spun by Pirabhakaran in the jungles of Jaffna for the execution of Rajiv Gandhi. From now on, the key role in the plot would be played by Shivarasan. Everything was working to plan. Shivarasan, himself an expert on explosives, examined Arivu's design for a human bomb and pronounced it suitable. He asked Baby Subramaniyam and Muthuraja to leave for Sri Lanka as it would not be safe for them to live in India any longer. By the end of March, Muthuraja and Baby Subramaniyam left for Jaffna.

Shivarasan moved to the Bhagynathan household where he discussed the plan with Murugan, Nalini and Bhagynathan. He told them that he had somebody in mind who would act as the human-bomb. He also asked Bhagynathan to look for a photographer who could be trusted. However, the target was still kept secret. Ravi Shankaran and Haribabu, old-time friends, were then brought into the picture. Sensing that they were being involved in a specific operation of the LTTE, both realised that they had reached a point of no-return.

The next step was to prove the most fateful—Shivarasan returned to Jaffna to bring back his human-bomb. In Jaffna, he met Pirabhakaran and briefed him on the progress that had taken place in Madras. Pirabhakaran asked Shivarasan to make sure that they un-

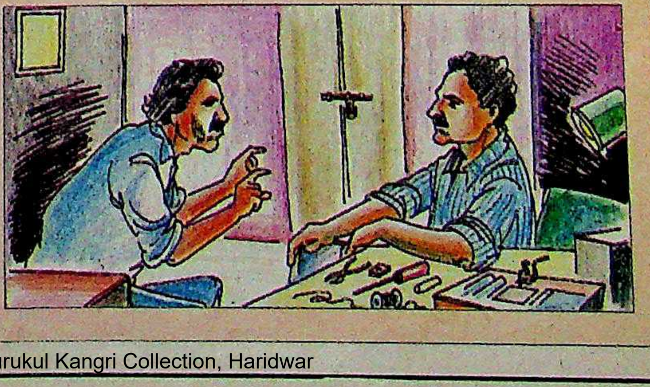
FEBRUARY 1991



The second LTTE recruiter, Muthuraja, cultivates two free lance photographers, Haribabu and Ravi Shankaran who will film the actual assassination.

FEBRUARY 1991

An explosive expert of the LTTE, Murugan discusses the design of the bomb required with Arivu at the latter's Porur house.



dertake dry-runs before the actual operation and ordered that the whole exercise be photographed for his viewing.

Shivarasan then selected his human bombs—Dhanu alias Gayatri and Shubha alias Shalini, two women members of the LTTE's shadow squad. Incidentally, both the girls happened to be his cousins. He was back in Madras within a week with the two girls in tow. The next step was to procure the explosives (C4 variety of RDX), the same yellow-coloured plastic explosives he had used to kill the EPRLF leader J. Padmanabha. With the LTTE's vast network in Tamil Nadu, obtaining the explosive was the least of the problems. Shivarasan was now all set to carry out his leader's orders—the assassination of Rajiv Gandhi.

In Madras, Dhanu and Shubha had been taken to Nalini's house where Murugan was awaiting them. Shivarasan kept the others—Pias, Jaykumaran and Arivu—away from the planning sessions which were to follow. But in a separate meeting, Shivarasan explained to Arivu the specifics of the bomb he required. Without disclosing the operation in detail, he asked for a bomb that could be easily hidden beneath the clothes and fitted around the waist of a female person.

Arivu got down to work and came up with an ingenious design for a belt-bomb. Six grenades could be fitted in a series on the belt. Each grenade would be made up of 80 gm of the C4 RDX (2,800 splinters of 2.0 mm each) enclosed within a casing of TNT. The grenades were connected in parallel with silver wires and the circuit was completed with two toggle switches, one for arming and the other for triggering the bomb. The device was charged with a 9 mm battery.

After approving the bomb, Shivarasan instructed Murugan to find a tailor to stitch the vest. Murugan found a local tailor and had the vest made of blue denim, a fabric heavy enough to support the one-kilo bomb. Once the vest was ready, Arivu carefully fixed the bomb onto the vest. The weapon that would reduce Rajiv Gandhi and at least 16 others to a mangled heap was now ready to be put to use

WITH this, Shivarasan was ready to stage the dry-runs ordered by Pirabhakaran. The first dry-run took place on April 18 at the favourite spot for political rallies—Marina Beach in Madras. Marina Beach was the venue for Rajiv Gandhi's first campaign meeting in Tamil Nadu which was also addressed by the AIADMK leader Jayalalitha. The meeting was photographed by Ravi Shankaran while Shubha Sundaram's agency took a video recording. However, the potential assassins did not attempt to get too close to the two leaders. Incidentally, Haribabu, who was present at the trial run along with Ravi Shankaran, had his first inkling that the target was going to be a politician.

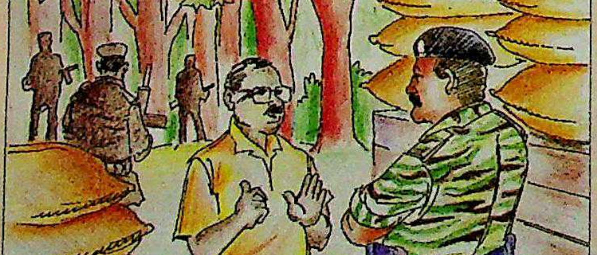
The next dry-run was executed on May 12 at a meeting featuring V.P. Singh and Karunanidhi at Thiruvallur in Arkonam, 40 km away from Madras. This time, the exercise was more fruitful as Dhanu was able to touch the feet of V.P. Singh in much the same manner as she would do with Rajiv Gandhi on the fateful night of May 21. This session was also shot on video by the Shubha Photo Agency. The video film is now in possession of the investigating team.

Following two successful rehearsals, Shivarasan now looked for the right opportunity for the actual assassination. Time was running out. The May 21 meeting at Sriperumbudur was announced two days in advance and it provided the best—and the last—opportunity. On the morning of May 20, Shivarasan reached Nalini's house with a newspaper clipping which detailed Rajiv's public meetings on May 21 ending at Sriperumbudur that night. The venue was decided.

Ravi Shankaran called Haribabu and asked him to purchase the garland and then meet Shivarasan and others at

Seconds after the fatal blas

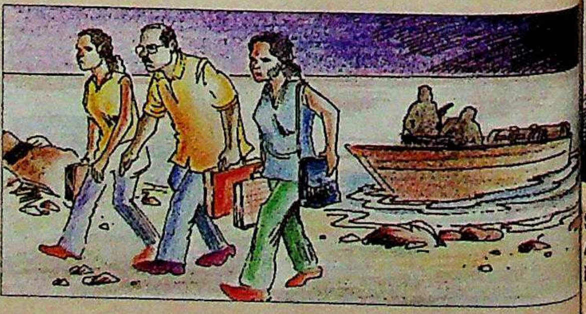
APRIL 1991



Shivarasan returns to Jaffna to brief Pirabhakaran who orders dry-runs before the actual execution and the exercise to be photographed for his viewing.

APRIL 1991

Shivarasan returns to Tamil Nadu with human bombs Dhanu and Shubha, women Tigers of the shadow squad.



fire can be seen smouldering at Rajiv's feet

Nalini's house on the afternoon of May 21. Haribabu then asked Ravi Shankaran to get him a camera along with a film roll. Ravi Shankaran, instead of giving Haribabu one of his own cameras, borrowed one from a friend Deepak, and gave it to Haribabu along with a Konika colour roll.

The night of May 20 was spent in a relaxed mood. The conspirators watched a film. None of the girls, particularly Dhanu, showed any sign of nervousness. Shubha tried out the denim vest on Dhanu. She also tried on the spectacles she would wear for disguise for the first time. The next day at 4.30 p.m., Nalini, Shubha, Dhanu and Shivarasan left for Parry's Corner for their rendezvous with Haribabu.

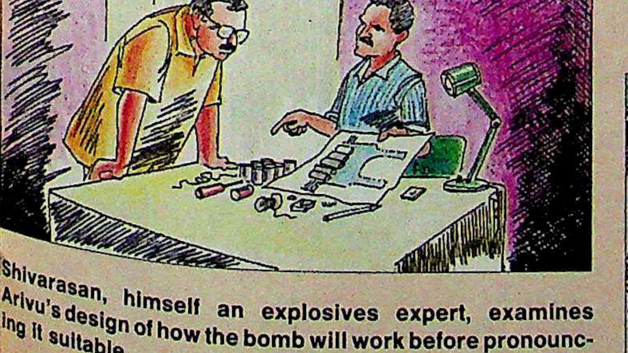
At Parry's Corner, near the main bus stand of Madras city, Haribabu was waiting with the sandalwood garland which he had bought an hour earlier from the state emporium Poompuhar. The five conspirators boarded a bus for Sriperumbudur where they reached around 8 o'clock in the evening.

ALL five, with Dhanu holding the garland, positioned themselves around the VIP enclosure. At one point, they were questioned by a woman sub-inspector on duty, Ansuya Kumari. Haribabu said he was a press cameraman and was there to take the photograph of the girl (Dhanu) garlanding Rajiv Gandhi. The sub-inspector told them that Rajiv was coming much later and hence there was no need for them to be around so early and the photographer should go to the press enclosure. They moved away. Shubha and Nalini sat in the crowd. Shivarasan took his position near the dais. He carried a pistol as he was the lone member of the back-up team. Dhanu and Haribabu stood close to the red carpet on which Rajiv would walk on his way to the dais.

Rajiv arrived at around 10 p.m. and was immediately surrounded by people trying to garland him. The sub-inspector, Ansuya, once again tried to prevent Dhanu from getting close to Rajiv. She had almost caught hold of the assassin but for Rajiv Gandhi, who, according to Ansuya, said: "Let everybody get a chance." Ansuya moved away—thus saving her own life. Dhanu bent down as if she wanted to touch Rajiv's feet. Rajiv in turn bent to lift her up. Dhanu's right finger activated the bomb.

Soon after the blast, Nalini and Shubha walked towards the bus stand

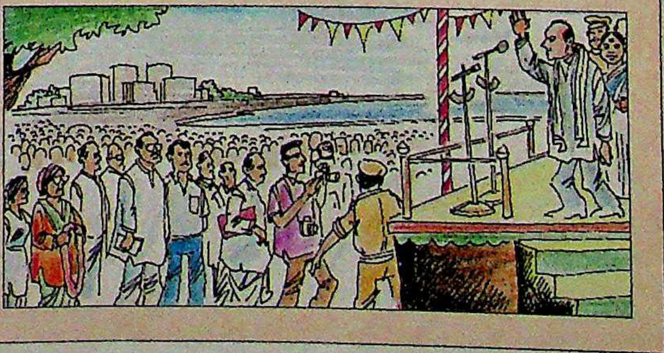
APRIL 1991



Shivarasan, himself an explosives expert, examines Arivu's design of how the bomb will work before pronouncing it suitable.

APRIL 1991

The dry-run at Rajiv's Marina Beach rally. Dhanu gets closer to the dais than Shivarasan. Clicked by Ravi Shankaran and Haribabu.



where they were to meet Shivarasan who told them that Rajiv Gandhi, Dhanu and Haribabu were dead and they better make a getaway. They took an auto-rickshaw till Poonamali from where they took another to reach Shivarasan's Porur house. Shivarasan rang up Shubha Sundaram and told him that though Haribabu had died in the blast, his camera was intact and Sundaram should try and recover it.

But because of the disturbance in the city, they were confined to the house all through the day. On the night of May 21, Sundaram swung into action. He rang up the house of a photographer, T. Ramamurthy, and was told that Ramamurthy had called from the Poonamali police station to say that he was slightly injured in the blast and would take some time to reach home. Sundaram then rang up the Poonamali police station and asked Ramamurthy if he had brought the camera from Haribabu. Ramamurthy told him that was "not his job". Meanwhile, Sundaram had informed Ravi Shankaran about the necessity of recovering Haribabu's camera and the crucial film roll.

By then, the SIT had launched its massive investigation. Officials had visited the Madras General Hospital to get an eyewitness account from the victims. Ansuya gave them a description of some "suspicious characters" she had seen roaming around with a photographer. By then, the photographs taken by Haribabu had been developed. Ansuya's account had made them suspicious about certain characters featured in the pictures including that of the woman holding a sandalwood garland along with Shivarasan. Next day, Ansuya confirmed that they were the same people she had spotted.

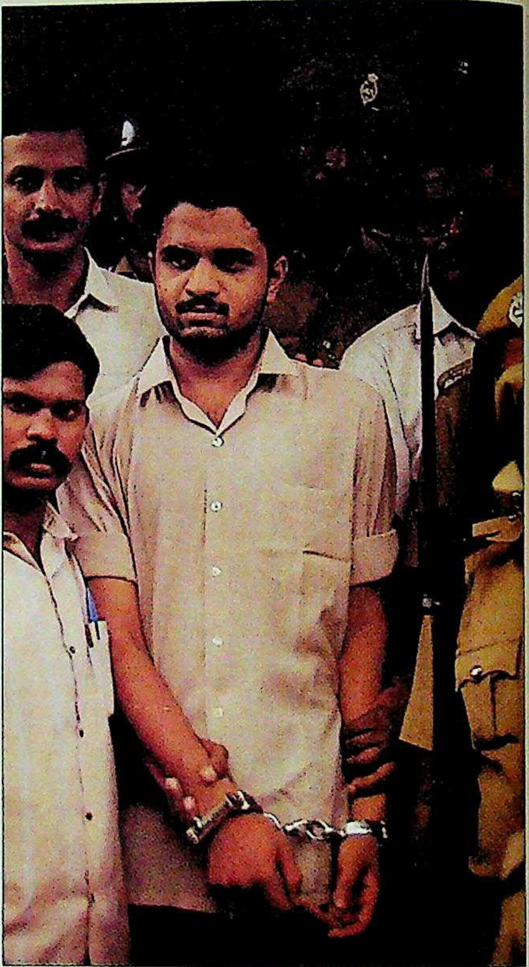
The next morning, the SIT visited the scene of crime where they found parts of Dhanu's dress, strips of the vest and the belt-bomb she wore with pieces of flesh attached, two toggle switches, wires used in the bomb and a half-burnt 9-volt battery. The experts carried out DNA printing of the pieces of flesh found at the spot. The flesh piece attached to the belt matched with the portion of the woman's body found. That established convincingly the theory of the assassin being a human-bomb.

NEXT, the bomb experts of the National Security Guards reconstructed the denim vest and part of the belt. Meanwhile, on May 25, the arrest of an LTTE member, Shankar, at Vedaraniam port, provided another breakthrough. Shankar, when intercepted, told the local police that he had been sent to India by Pirabhakaran in order to kill Varadaraja Perumal who has been given refuge by the Indian Government in Bhopal.

The matter was immediately brought to the notice of the SIT in Madras. Shankar, when shown the pictures taken by Haribabu, identified the kurta-pyjama clad man in the photographs as Raghuvaran, an explosive expert and a trusted lieutenant of Pirabhakaran who was involved in the killing of EPRLF leader Padmanabha. Of the several LTTE activists and sympathisers rounded up for interrogation, one Jagdishan from Vedaraniam also identified the kurta-pyjama clad man as Raghu adding that he had travelled during the Padmanabha killing in his speedboat between Vedaraniam and Point Pedro of Jaffna.

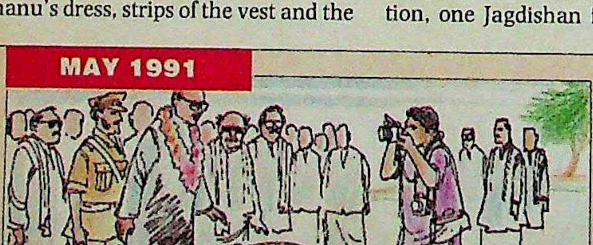
A notebook recovered from Shankaran's possession carried a Madras telephone number with two names: Nalini and Murugan. The telephone

Photographs by PRAMOD PUSHKARNA



Arivu (left) who designed the bomb

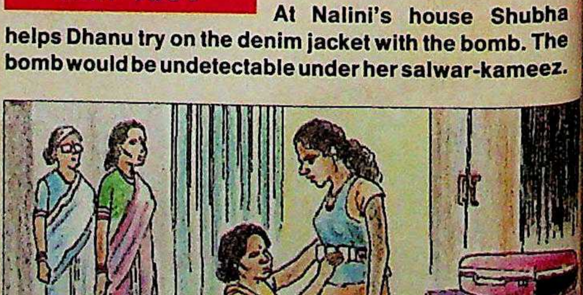
MAY 1991



The second dry-run at the V.P. Singh rally in Thiruvallur. Dhanu is able to touch Singh's feet in much the same manner as she would with Rajiv Gandhi.

MAY 1991

At Nalini's house Shubha helps Dhanu try on the denim jacket with the bomb. The bomb would be undetectable under her salwar-kameez.



and Pias were crucial links in the plot

authorities confirmed the identity of the holders of the number.

Meanwhile, a study of Padmanabha's killing revealed that the two unexploded grenades found from the spot contained C4 RDX explosives. The SIT also received a tip-off about two photographers, Shubha Sundaram and Ravi Shankaran, who were desperately looking for Haribabu's camera. Haribabu's mother, Laxmi, told the SIT that Ravi Shankaran had visited their house on May 22 morning to inquire about the camera but never told them about his death. Another friend of Haribabu, Kannan, also told the SIT the same story. This led the SIT to tap the phones of the two photographers. Both were put under surveillance.

THE SIT officials visited Sriperumbudur again with the pictures shot by Haribabu of the crowd which was circulated among the local population. Through a painstaking process of elimination, only four or five characters were left unidentified and two of them turned out to be Shubha and Nalini.

A study of the photo album seized from Ravi Shankaran also showed Nalini along with a few others. During questioning, Ravi Shankaran told the SIT that he knew one of the characters in the photograph from his album. It turned out to be Nalini's brother, Bhagynathan.

Bhagynathan was picked up from his printing press but Nalini and Murugan managed to flee. Bhagynathan told the SIT how he came under the influence of Baby Subramaniyam and about the operatives he had harboured. He identified the mysterious kurta-pyjama clad man as Shivarasan.

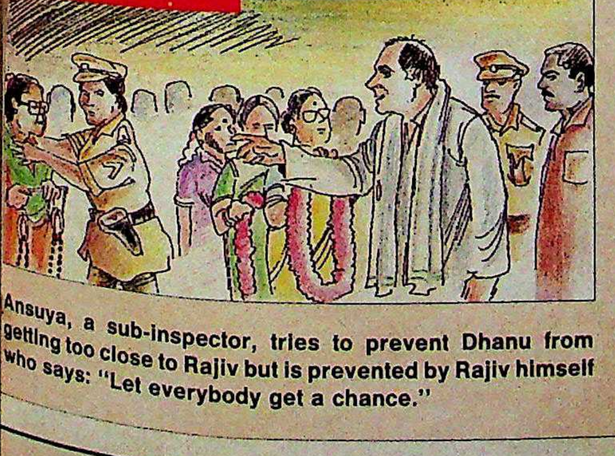
Working round the clock, the SIT had managed to establish the identities of the kurta-pyjama clad man, the actual assassin, her accomplices Shubha, Murugan and Nalini. Further interrogation of Bhagynathan, Shubha Sundaram and Ravi Shankaran revealed more details of the plot.

While this was going on, Murugan and Nalini were in Tirupati where he planned to shave his head to celebrate the success of the operation. They also planned to get married. But by now, Nalini's photograph had been splashed all over the state so they gave up the idea. Presuming the coastal areas would be heavily patrolled, both of them decided to return to Madras.

They were unaware that scores of police teams were waiting for them at all the railway and bus stations in Madras. The arrest of Murugan and Nalini was the biggest breakthrough in the investigation. Their interrogation not only revealed the entire plot but also pointed a conclusive finger at Pirabhakaran as the mastermind. Murugan admitted that he had direct orders from Pirabhakaran. With their confession, the arrests of Arivu and Robert Pias quickly followed.

But despite the successes notched up so far, SIT chief D.R. Karthikeyan still feels that "there is a long way to go". As he told INDIA TODAY: "We are yet to catch the main culprit (now popularly known as one-eyed-Jack because of his one glass eye) which might help us stretch the arm of law deep inside the forest of Jaffna. I am not jumping to any conclusion about the motive or conspiracy behind the crime. But we have solved how the assassination was executed. I must say that my colleagues have been doing a remarkable job." Judging by the chilling and detailed reconstruction of the plot to kill Rajiv Gandhi, that is clearly no idle boast.

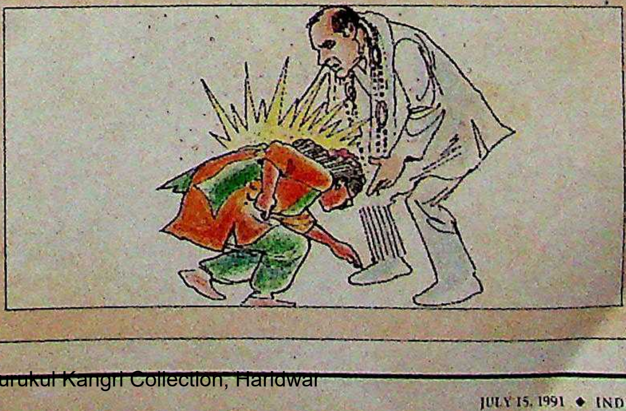
MAY 1991



Ansuya, a sub-inspector, tries to prevent Dhanu from getting too close to Rajiv but is prevented by Rajiv himself who says: "Let everybody get a chance."

MAY 1991

Dhanu garlands Rajiv and then bends down to touch his feet. As he in turn bends to raise her up, she triggers the bomb.



NEW GOVERNMENT

BACK TO THE OLD GUARD

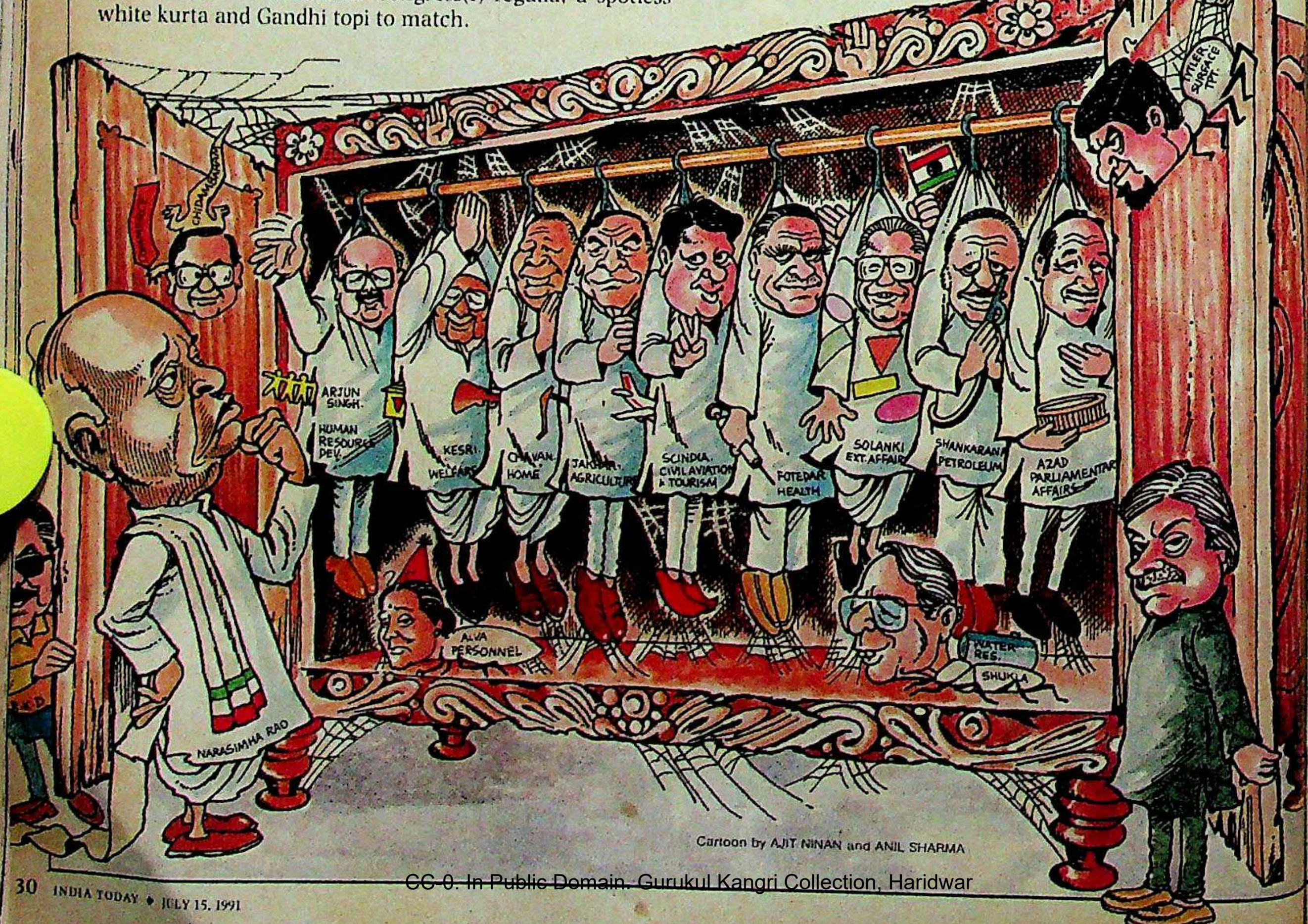
With myriad challenges facing the country, a not-so-new-look government, headed by a prime minister with no mass base and controlled by the coterie, takes charge.

THE tedious and uninspiring Congress(I) Parliamentary Party (CPP) meeting in the impressive Central Hall of Parliament where P.V. Narasimha Rao was elected party leader was reminiscent of the Soviet Union's communist gerontocracy electing a Leonid Brezhnev. The sobriety, the stifling ennui that characterised the event spoke volumes about the party and the new Government as it assumed the reins of power without the Nehru-Gandhi family at its helm.

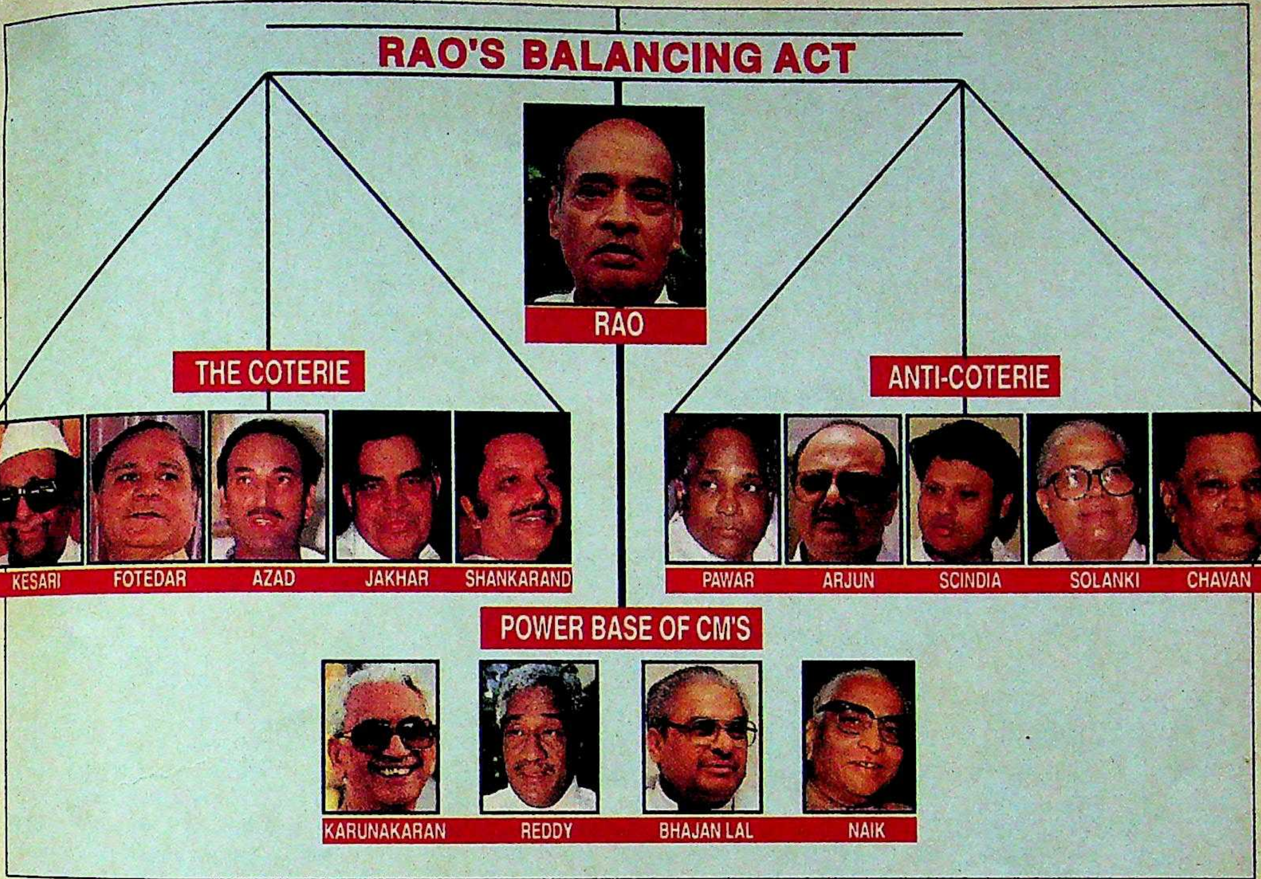
Instead of the dash of youth, glamour and ebullience given to such gatherings by Rajiv Gandhi, a gaggle of old leaders and apparatchiks like Sitaram Kesari, Balram Jakhar, K. Karunakaran, P. Shivshankar and Arjun Singh orchestrated the party's geriatric transition. Seventy-year-old Rao looked morose and stern even as his election was being formally announced by septuagenarian party treasurer Kesari, who presided, clad in traditional Congress(I) regalia, a spotless white kurta and Gandhi topi to match.

A day later the same faces dominated the scene at Rashtrapati Bhavan when Rao, was sworn in as the country's ninth prime minister, followed by his council of ministers. The cabinet rankers were mostly old faces: Jakhar, Kesari, S.B. Chavan, C.K. Jaffer Sharief, Madhavsinh Solanki and B. Shankaranand—all of them over 60. The reactions from outsiders were quick and peremptory. "Lacklustre," said L.K. Advani about the council of ministers. "Old wine in old bottles," commented Janata Dal spokesman S. Jaipal Reddy.

Though accurate in describing the re-emergence of the old guard, these remarks did not apply to the entire council. There were relatively


CHIDAMBARAM
INTER-SURFACE TPT.
ARJUN SINGH.
HUMAN RESOURCE DEV.
KESRI. WELFARE
CHAVAN. HOME
JAKHAR. AGRICULTURE
SCINDIA. CIVIL AVIATION & TOURISM
FOTEDAR HEALTH
SOLANKI EXT. AFFAIRS
SHANKARANAND PETROLEUM
AZAD PARLIAMENTARY AFFAIRS
ALVA PERSONNEL
WATER RES.
SHUKLA
NARASIMHA RAO

Cartoon by AJIT NINAN and ANIL SHARMA



younger members too, some with proven track records. They included cabinet rankers Ghulam Nabi Azad and Madhavrao Scindia and ministers of state Kamal Nath, Ashok Gehlot, Rajesh Pilot. There were also first-timers like Salman Khursheed.

But most of the men who will be running the show are non-entities with no spectacular achievement behind them. And the man who is to function as the first among equals falls in about the same category. For Rao, outside the positions he has held in government whenever the Congress(I) has been in power, was unable to win a mere parliamentary seat from even his own state of Andhra Pradesh where he was chief minister in '71-72.

In the new arrangement, the coterie will be checkmated by the Pawar group and chief ministers will support Rao in return for non-interference by Delhi.

THAT he is a man propelled to the centre stage of the world's largest democracy by fate, drama, fortune, and happenstance rather than drive, vision, or ambition is clear from a decision Rao almost took just four months ago—to retire from active politics and spend his time writing. The prime ministership was beyond the wildest dream of a man who had been content to dwell in the shadow of the Nehru-Gandhi family all his political life. "As an individual, I feel utterly humble," Rao candidly confessed after his election as CPP(I) leader. And his background could contain the clues as to how he will handle the affairs of his party and country. Like his party, Rao too has aged. For both, adapting to the changed realities of the nation and applying unorthodox remedies will prove to be an uphill task.

Rao faces the critical disadvantage of not being a mass-based leader capable of getting his nominees elected to the Lok Sabha. This is a dramatic departure from the past in which the entire Congress party drew its strength and sustenance from the charisma and dynamism of Indira and Rajiv Gandhi. But this does not mean that Rao doesn't understand politics or the nuts and bolts of the Congress(I). He knows the intensely politicised party group—the coterie—and its palace intrigues only too well.

As a Congressman of the old school he learned one crucial lesson—how to survive. And survival meant keeping a low profile even at the expense of eschewing the formation of a power base. He had seen seasoned mass-based politicians like H.N. Bahuguna, Morarji Desai, Y.B. Chavan sidelined and humiliated by Mrs Gandhi when they appeared to challenge her suzerainty. Rao survived by learning never to even appear to be a challenger to the dynasty. This may be his weakness as a leader. But it is also what has today propelled him to prime ministership. As a man with no visible factional leanings he first became acceptable as the party president and later, as prime minister.

The central problem remains. As a weak prime minister, he will have to look for support from a party that he can change only at his own political peril. In a blind-leading-the-blind situation, the party is itself dominated by men with no power bases of their own because they also survived by the

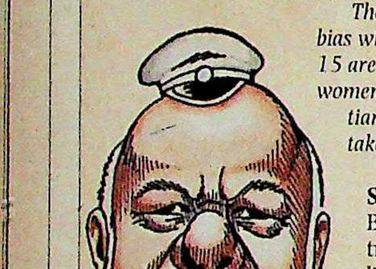
THE KEY CABINET MINISTERS

FAMILIAR FACES

CABINET Ministers: A mostly over-the-hill gang of 15 stodgy, unimaginative apparatchiks with a few exceptions marking a sprinkling of talent. Eight are from the Lok Sabha, five from the Rajya Sabha, while two are not MPs.

As many as 22 of Rao's initial 58 appointees featured in Rajiv Gandhi's cabinet. Despite some effort at regional balance, Rao's ministers reflect the now minimal party presence in Uttar Pradesh and Bihar. For the first time, Uttar Pradesh has a lone cabinet minister and two ministers of state; Bihar one of each; and Madhya Pradesh three each—the largest from any province. Kashmir and Punjab are on par with Maharashtra with two cabinet ministers each. Three coterie members made it to the cabinet, but were given marginal portfolios. Barring Pawar, the old guard kept the top jobs.

The Union cabinet has a northern bias while of the 35 ministers of state, 15 are from the south. There are seven women, five Muslims and five Christians in the ministry. INDIA TODAY *takes a look at some key ministers.*



Cartoons by AJIT NINAN and MANOJIT DATTA

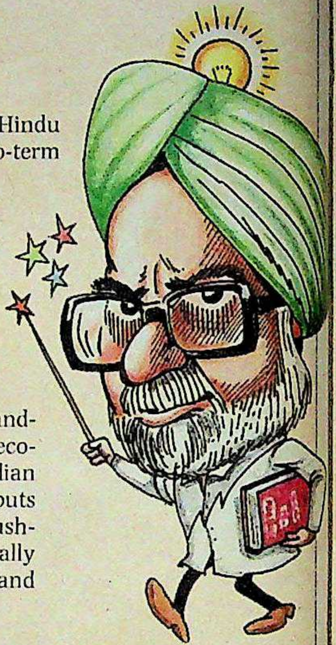
SHARAD PAWAR, 50; B.Com.; Defence; Maharashtra, Maratha; urban; sharp political acumen and strong political base, dynamic with wide industry connections, survivor; defector; involved in land scam and other corruption cases; overweening ambition; courteous, family man.

C.K. JAFFER SHARIEF, 58; Matriculate; Railways; Karnataka, Muslim; urban; political animal who rose from the ranks to become MP in 1971 and Union minister of state for railways and irrigation and power in early '80s without too much distinction; no real political base except among Karnataka Muslims; secular, helpful and street-smart without acumen of a Sitaram Kesari.

SHANKARRAO B. CHAVAN, 71; B.A. LL.B; Home; Maharashtra; Maratha; rural; clean, experienced, successful stint as Maharashtra chief minister and Union cabinet minister; muted cultured style blends with that of old school politician Rao.

MADHAVSINH SOLANKI, 64; B.A. (Hons.) LL.B.; External Affairs; Gujarat, Rajput; shrewd politician with substantial political base and long political and administrative experience at both state and Centre; identification with backward caste interests; urbane, literate, cultured with considerable intellect.

BALRAM JAKHAR, 68; B.A. (Hons.); Agriculture; outer fringes of coterie; Punjab, Hindu Jat; rural; became two-term Speaker despite lack of distinction; political lightweight; wealthy but charged with corruption; obsequious, hospitable, political survivor.

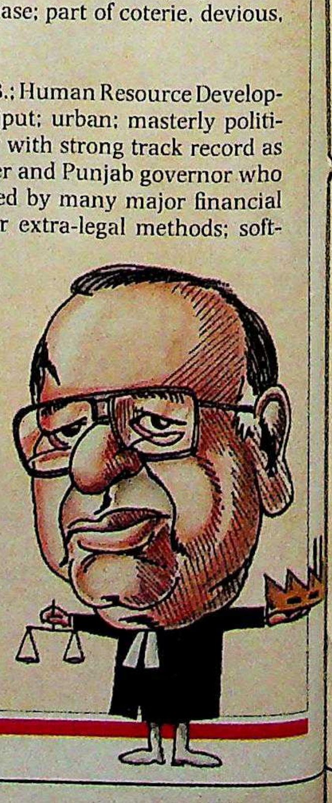


DR MANMOHAN SINGH, 59; D. Phil.; Finance; Punjab, Sikh; outstanding economist, teacher, and economic adviser to the Indian Government; better at inputs and policy making than pushing them through; intellectually brilliant, quiet, understated and decent.

MADHAVRAO SCINDIA, 46; M.A.; Civil Aviation and Tourism; Pawar man; Madhya Pradesh, Maratha; urban; youthful, sharp, able MP since 1971 and administrator with excellent track record as railways minister; political middleweight despite being heir to Gwalior's royal legacy; extremely hard working, ambitious, brilliant orator, haughty, selfish and gullible, disarming sense of humour.

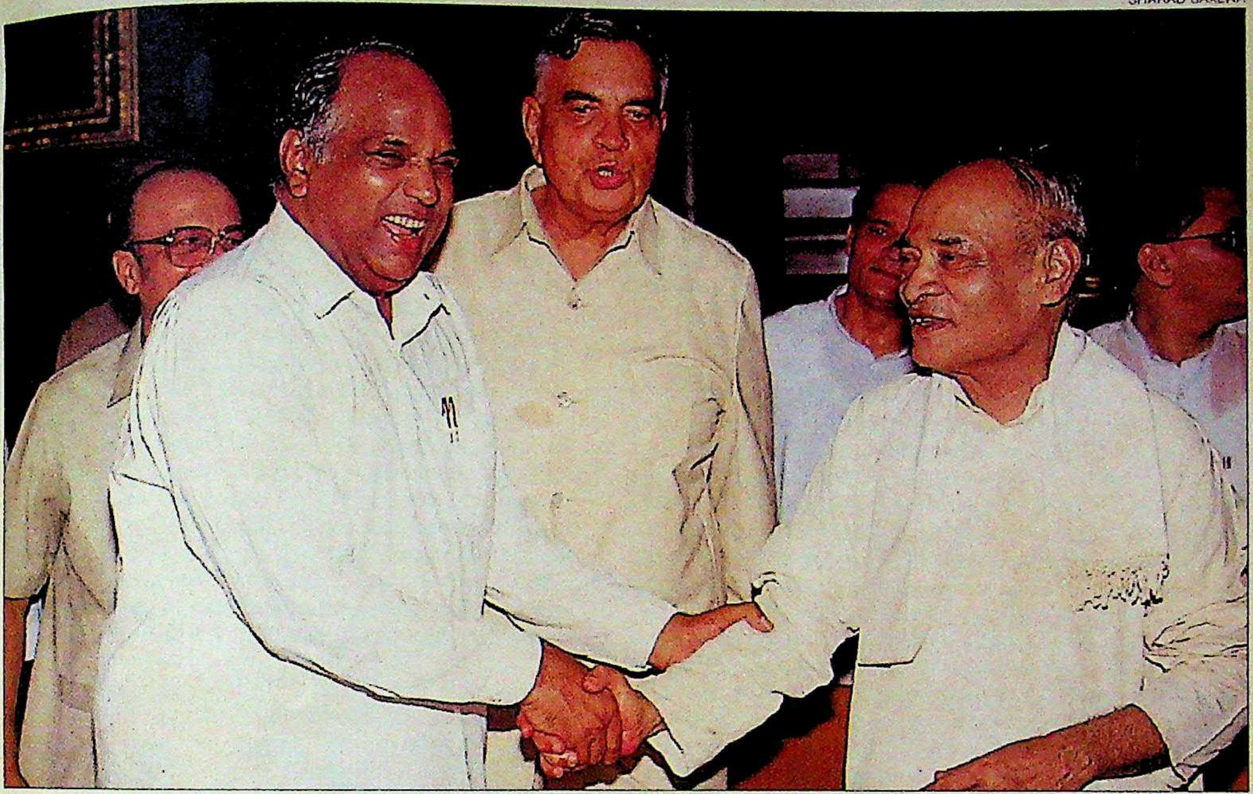
MAKHAN LAL FOTEDAR, 59; M.A. LL.B; Health & Family Welfare; J&K, Brahmin; urban; rising to top after becoming Gandhi family retainer and helping create Kashmir mess; no political base; part of coterie, devious, cunning, and manipulative.

ARJUN SINGH, 61; B.A. LL.B.; Human Resource Development; Madhya Pradesh, Rajput; urban; masterly politician, and able administrator with strong track record as chief minister, Union minister and Punjab governor who masterminded accord; tainted by many major financial scandals with propensity for extra-legal methods; soft-spoken, urbane, secretive, reticent reflecting feudal background but concealing deviousness and manipulative ability.



VIJAYA BHASKARA REDDY, B.A., LL.B.; 71; Law, Justice & Company Affairs; Rao man; Andhra Pradesh, Forward; urban; freedom fighter; able and experienced politician and administrator both at state and national level; not overambitious; soft-spoken and highly respected.

SHARAD SAXENA



nourishment they received through the Nehru-Gandhi umbilical cord. They picked Rao as leader of their flock because, in this symbiotic relationship, he could best be counted on to protect their interests.

With no big leader heading the Government, no one expects miracles. The grave crises facing the country have also had a sobering effect on the opposition parties.

In attaining the prime ministership Rao played his cards just right. He never really jumped into the fray by lobbying any factional leaders. He just sat back knowing that the apple would eventually fall into his lap. It was a shrewd non-strategy in which he virtually placed himself at the mercy of state satraps like Madhya Pradesh strongman Arjun Singh, chief ministers Karunakaran, S. Bangarappa, and Janardhan Reddy—and coterie members like M.L. Fotedar, R.K. Dhawan and Satish Sharma. He played elder statesman and good guy while the bosses united in his favour—but in their own interests—to slug it out with Sharad Pawar.

And they extracted a price from Rao. While finalising his council of ministers he consulted mostly with Karunakaran, Arjun Singh, Fotedar, Reddy and Bangarappa. But Rao was also interested in a truce with Pawar and offered him a position during a private midnight meeting before Pawar left for Bombay. Pawar asked Rao to show his bona fides by including some of Pawar's nominees in the Cabinet. But Fotedar, now the most powerful voice in the coterie, won round one by vetoing the very thought of "rewarding people who had virtually revolted against the party".

Then, suddenly, taking a page out of the Indira Gandhi book of politics, Rao made a shrewd move serving a blow to the coterie. He had gone along with them in the selection of his ministers and they were satisfied that their sway over the party remained intact. But when it came to the actual distribution of portfolios, it was Prime Minister Rao who made the decisions. Party bosses who had been angling for key portfolios and had indicated their choices were in for a rude shock.

In fact, in the two days between the swearing-in ceremony and the announcement of portfolios, hectic lobbying was afoot. The coterie was impatient to get its men placed in key positions, and as a party MP from Madhya Pradesh said: "Once again Rajiv's secretary V. George was activated to drop hints." Delegations from Tamil Nadu and Orissa conveyed to Rao their unhappiness over under-representation. TNCC(I) chief K. Ramamurthy complained to Rao about his "state not getting any cabinet berth despite performing exceptionally well in the elections". Giridhar Gomango, Orissa PCC(I) chief and minister of state in the Rajiv cabinet, very politely made known his unhappiness about not being given the independent charge this time. Kalpnath Rai, the minister of state for power, personally went and thanked Rao and touched his feet, requesting to be accommodated in the Power Ministry where he wanted to "finish the task Rajivji had assigned me".

With the pressure mounting and an unending stream of visitors flowing in, Rao was forced to rush to Hyderabad House leaving strict instructions to be left undisturbed. There he shut himself and referred to the ministries constituted by Mrs Gandhi and Rajiv. Rao also summoned some government functionaries to know the state of the Government. Disclosed a Congress(I) leader: "Cabinet Secretary Naresh Chandra was closeted with the prime minister for some time and the problems of various ministries were discussed."

Rao also discussed the constitution of his ministry with some "old political friends", especially a one-time senior Congress politician from Madhya Pradesh. He was apparently advised to distance himself from controversial people and to avoid bogging down the Government in controversies. Following these discussions, Rao finalised his council of ministers. Key portfolios like home, finance, civil aviation and commerce were given to people like S.B. Chavan, Manmohan Singh, Madhavrao Scindia and P. Chidambaram respectively—all four ministers known for their "clean record". Most of the others had surprises in store for them.

ARJUN Singh's coveted home portfolio was denied to him. Fotedar, whose supporters had spread the word that he would get the prestigious industry portfolio, was disappointed. Other powerful coterie-ists like Kesari and Ghulam Nabi Azad were given unceremonious portfolios like health and family welfare, and parliamentary affairs respectively. Dhawan was kept out. An unhappy Dhawan met Rao and told him he never expected to be "rewarded" for his services but he would certainly not like to be kept "in the cold".

And Rao surprised even those who thought they knew him well by showing a capability of fighting a rearguard action as well. In a pre-emptive mood designed to insulate himself from any immediate intrigues he informed Pawar and his supporters that he would keep an important cabinet post open for him. Should the coterie try to harass the new prime minister, Pawar would be an able ally to battle the coterie. As an opposition leader put it: "Bringing Pawar to the Centre and sidelining the coterie could be a master stroke of Rao."

But the 'masterstroke' may prove counter-productive. With political balancing taking precedence over the matching of aptitude with portfolio, Rao may have mis-shuffled his ministerial pack. For instance, a proven administrator like Arjun Singh would have been a good home minister. Likewise, Pawar's dynamism could have been better utilised in the industry ministry. But Rao is working within his limitations. For example, he cannot afford to annoy state satraps like Karunakaran, Bhajan Lal and Bangarappa. So Rao is giving them a free hand. Unlike in the past, Bhajan Lal and Karunakaran did not rush to Delhi to get their council of ministers cleared.

This is a reflection of a new power-sharing arrangement amongst the old guard in the post-Rajiv Congress(I). Under the arrangement Rao will not bully the state bosses who, in return, will assure the smooth functioning of the prime minister who has no power base of his own. A senior minister said: "Perhaps it is this arrangement under which Pawar and the coterie checkmate each other and the state bosses provide a base of support for the prime minister in return for non-interference that can truly be called a consensus."

Rao and the party bosses may be happy with the new power-sharing arrangement, but Congress(I) MPs, especially the younger lot, are concerned about the party's future. In private conversations they express concern about their future. Summing up the prevailing sentiment in the CPP(I), a party MP from Rajasthan said: "Who will win elections for us?" At the same time the young MPs are happy with Rao's decision to sideline the coterie in the distribution of portfolios.

The MPs are looking for a leader of the masses and some still hope "Soniaji will enter politics and save our political future". But Sonia seems to have made up her mind even about not retaining her late husband's constituency of Amethi. In fact, Rajiv's cousin Arun Gandhi—an Allahabad-based cousin from Feroze Gandhi's side, and so far uninvolved in politics—is being considered for the seat.

FIRST TIMERS

BRIGHT BRIGADE

NARASIMHA Rao's Cabinet may seem like a Hindi film rerun with only the hero changed. But his 'B' team is packed with an entourage of new faces. As many as 28 members of his 58-strong team are first-timers to a Union post.

The newcomers are a sprinkling of hot-shots, intellectuals, administrators, professionals, party survivors and non-entities. Many may be non-starters. But others may yet surprise with their performance.

There is the garrulous Rangarajan Kumaramangalam whose father and grandfather too were Union ministers once. A criminal lawyer, Kumaramangalam, 36, has other interests too. Like tinkering with computers or publishing scientific papers titled: 'The Other Side of Gravity.' He even holds a black belt in karate. But he has got the job he likes: minister of state for parliamentary affairs, law and justice. Says he: "We have to perform well quickly or we are sunk."

Girija Vyas. Ever heard of her till June 21, 1991? The Delaware University in the US which awarded her a post-doctoral degree in philosophy has. So too has the Rajasthan Tourism Ministry. Her international experience helped when she headed it for over two years. Vyas writes poetry, quotes Nietzsche at will and listens to Bach every night. "I never found the time to get married," she says with a twinkle in her eye. And as the new deputy minister for information and broadcasting she says, "I will have to work 22 hours every day."

GO-GETTERS

Nath; Kumaramanglam; Khursheed: new brooms

Ministerial responsibility is unlikely to faze the irrepressible Kamal Nath, the Madhya Pradesh MP who has been more in controversy than out of it. Part of the erstwhile Sanjay brigade, Nath, 43, succeeds the doughty Maneka Gandhi as minister of state for environment and forests. "I come with no hang-ups or hangovers," says he. And he vows to pull out all the stops to accomplish his task. In his words: "The only control I know is birth control." His favourite game: Squash. Naturally.

Nath, Kumaramangalam and Salman Khursheed, who is deputy minister for commerce, are go-getters who Rao hopes will turn their respective ministries upside down. Add to that list Mamata Banerjee, 36, the hotheaded student leader from Calcutta, who takes over as minister of state for youth affairs and sports. "We need to get rid of this delay, delay, delay. And corruption, " she says.

There are others whom Rao hopes will provide.

TRIED TYROS

Farook; Kurien; Vyas: some experience

through their maturity and experience, a new direction to their ministries. Like Prof P.J. Kurien, 50, a professor of physics and Congress(I) chief whip in the previous Lok Sabha. He now takes over as minister of state for industries. About his curious mix of professions he says:"A scientific approach helps in solving lots of problems." His main aim:"End this red tapism and reduce procedures."

Sharing his aversion to the bureaucratic delays is K. Vazhapadi Ramamurthy, 52, president of the TNCC(I). An active trade unionist, Ramamurthy got the portfolio he deserves: minister of state for labour. He, however, hopes to break the "bureaucratic union" first. And then there is M.O.H. Farook, who brings his vast state experience, including stints as chief minister of Pondicherry, to his new job as minister of state for civil aviation and tourism.

While drawing on experience from the states, Rao has also kept political compulsions in mind. Like naming Balaram Singh Yadav, who has held several cabinet posts in Uttar Pradesh, as minister of state for mines. Or bringing the soft-spoken Kamaluddin Ahmed, 61, a Muslim who hails from his state, as the new minister of civil supplies.

OUTSIDERS

Kamala Kumari; Potdukhe; Tara Devi: novices

And also in appointing the experienced Kahnu Charan Lenka from Orissa. Lenka's favourite pastime is "discourses on morality and spirituality". But as minister of state for agriculture he won't get much time for that.

Then there are rank outsiders who were as surprised at being appointed ministers as the nation was. Like Tara Devi, an MP from Karnataka, who was watching the swearing-in ceremony on television when her name was announced. A party activist, she has little administrative experience. Ditto for Shantaram Potdukhe, 58, a former journalist-turned-politician from Maharashtra, who is the new minister of state for finance. Apart from sponsoring various literary activities in the state, he was chairman of the minimum wages committee for the bricks and tiles industry in Maharashtra way back in 1965. His favourite game: Kabaddi. Any takers?

—RAJ CHENGAPPA

So while on the surface the new arrangement of the old guard running the party and the Government may seem viable, it remains to be seen whether this can resolve the problems which Rao inherits as prime minister. His government is in a minority with 225 MPs and he will have to bank on the National Front-Left combine to survive. For which the combine will extract its price. The Opposition is already talking about putting up its own nominee for the Speaker's post. "We will prefer all the opposition parties to come together on the Speaker election issue," says a Janata Dal leader. On the economic front such as the IMF loan issue, both V.P. Singh and Jyoti Basu want the new Government to "disclose its entire economic package" before going for the loans.

BUT V.P. Singh cautions: "We are not keen to pull the Government down. But it is for the Government to sustain itself and it has to spell out how it intends to do so." This sums up the dilemma of both the non-BJP Opposition as well as the minority Rao Government. The Opposition cannot pull down the Government because the electorate wants it to last. Nor can it allow the smooth functioning of the Government and allow it to enter another election with a good record.

There is, of course, always the possibility of the Congress(I) getting more than a working majority by splitting the Janata Dal. But until that eventuality, it is obvious that Rao will have to do some tightrope walking. He will have to make compromises on some of their demands while letting them attack his government on certain issues but still ensure that the Opposition does not go too far in attacking government policies. This could be a tough row to hoe because having publicly pledged to carry out the time-bound programmes—especially the economic liberalisation—spelled out in the Congress(I) manifesto, he will find it difficult if he backtracks to appease the Janata Dal or the Marxists.

But there are also inherent advantages for the new Government. With no big leader heading it, no one expects miracles. Political observers and intellectuals view the Government with no great hopes. Bhabani Sen Gupta of the Centre for Policy Research says the new Government "does not inspire confidence". Columnist Khushwant Singh calls the new Cabinet "lacklustre and without a political base". But most express the hope the Government should last its full term. Says D.H. Pai Panandiker of the Federation of Indian Chambers of Commerce: "I expect this government to last its full term only because nobody wants to go to the polls soon."

In addition, the grave political and economic crises facing the country and the need to resolve them in an atmosphere of stability have also had a sobering effect on opposition parties. V.P. Singh's assertion that he is not interested in toppling the Government is a practical compulsion. For any party that behaves irresponsibly in pulling down the Government and contributing to instability after two rapidfire elections will be treated by the public as a political villain.

Then there is always the "Chandra Shekhar factor"—the rise to prime ministerial status of a leader who had been universally vilified as a "has been". The question remains, can Rao, despite his ill health and dependence on the party's old guard, rise to the occasion? Sociologist Veena Das believes the problems "are too grave and too many". But in this context, if Rao and his new council of ministers can even sustain the Government in power by making no obvious goofs, and make some bold and decisive moves on the economic front and the budget which have the desired impact, the achievements would be considered great—coming as they do from a government from which people have no real expectations.

—ZAFAR AGHA

SHARAD PAWAR

TAMED FOR THE MOMENT

He had overestimated his strength and was forced out of the race by the coterie rooting for Narasimha Rao and by the southern leaders shifting their allegiance.

TWO weeks ago it seemed that nothing stood between Maratha strongman Sharad Pawar and the prime minister's chair. But within 48 hours of his arrival in Delhi to orchestrate his campaign it was all over for him. The Empire had struck back with a vengeance. Pawar had already been out-muscled and out-generaled by the time he bowed out of the race on June 20 by accepting the "consensus" choice of "Narasimha Raoji".

On the surface it appeared that the battlelines were drawn between two distinct camps: the coterie of R.K. Dhawan, Makhan Lal Fotedar, Satish Sharma, Vincent George trying to retain control through the elevation of Rao, versus Pawar backed openly by the young Turks like Anand Sharma and Suresh Kalmadi, and seniors like N.K.P. Salve and Najma Heptullah. However, what was perceived as a black and white struggle by the Pawar camp—consensus versus elections—had several grey areas in which politicians who were not necessarily pro-coterie—Arjun Singh, K. Karunakaran, Madhavrao Scindia—joined hands in order to defeat the Pawar camp. And some leaders like Scindia, for example, just did not have the inclination to stick their necks out.

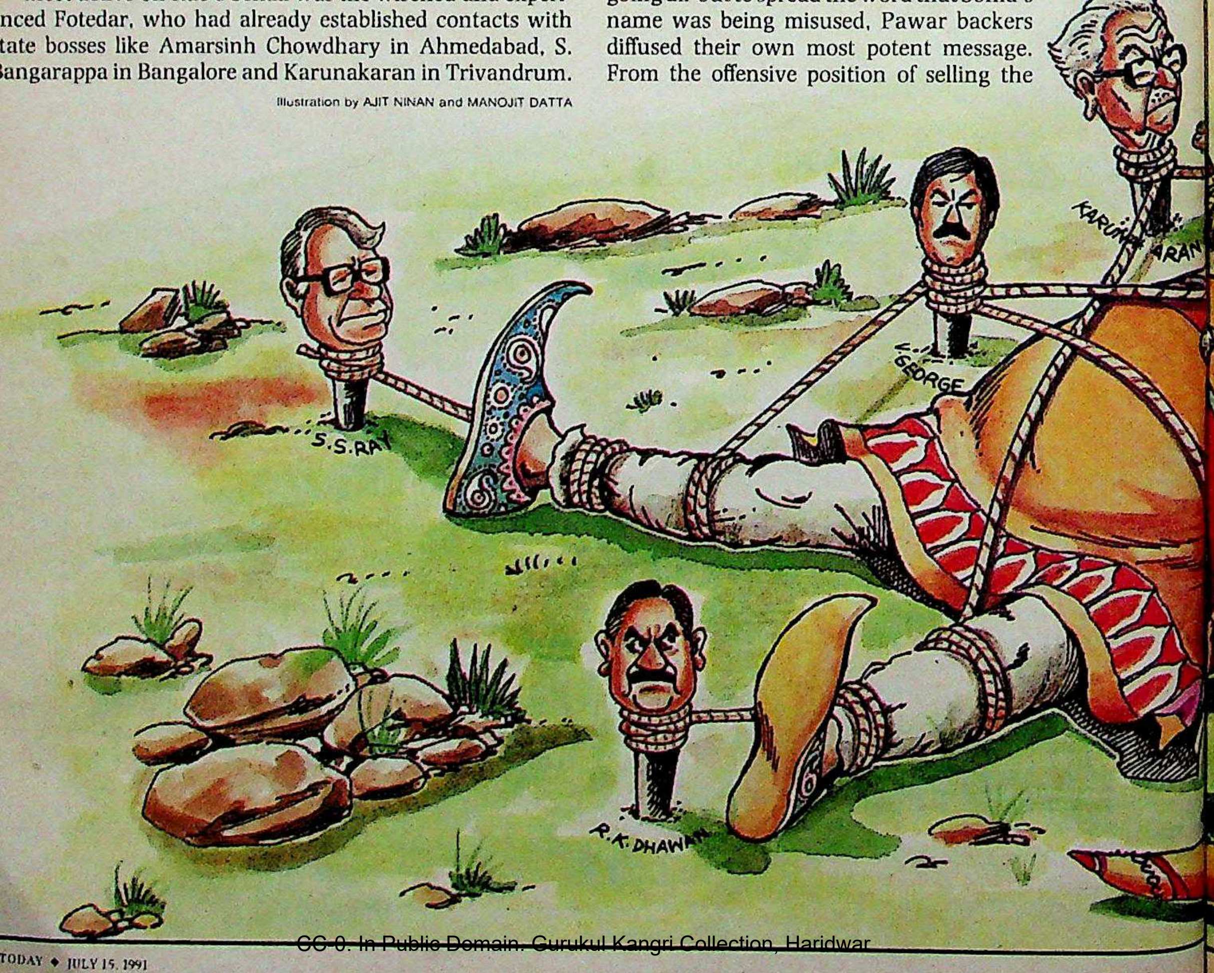
Most active on Rao's behalf was the wisened and experienced Fotedar, who had already established contacts with state bosses like Amarsinh Chowdhary in Ahmedabad, S. Bangarappa in Bangalore and Karunakaran in Trivandrum.

Together, the pro-Rao activists—thanks to Dhawan whom an associate described as "our walking information directory"—were able to compile a detailed dossier on every MP, his affiliation, financial links, skeletons in the closet, and whether he could be wooed through flattery, cajolery, temptation, office, or threat. This kind of organisation was way beyond the ken of a Kalmadi or a Heptullah. And in the coterie, Dhawan and Fotedar closed ranks and made common cause with Sharma and George.

This was critical for the gameplan that included using Sonia Gandhi's name to lobby MPs in Rao's favour. Since Sharma was known to be close to Rajiv and Sonia and George controlled access to the household, the Rao backers started a whispering campaign that "Soniaji wants Raoji". Unlike the shrewd Arjun Singh, Pawar and his backers failed to analyse even at this stage that there was no real Pawar wave. Even the signatories were not necessarily die-hard pro-Pawar people. They were in his camp to settle old scores rather than restore "democratic traditions".

But the introduction of the Sonia factor by the Rao lobby dealt another setback to the Pawar camp. In going all-out to spread the word that Sonia's name was being misused, Pawar backers diffused their own most potent message. From the offensive position of selling the

Illustration by AJIT NINAN and MANOJIT DATTA



attractive line that democratic traditions ought to be restored to the party, Pawar's camp got bogged down in a defensive position by taking the line that "Soniaji is not interested in any particular candidate". It was a strategic mistake. Pawar supporters became visibly defensive, a posture that did not impress the fence-sitters. Their ideological plank got blunted and the whole struggle degenerated into whispering campaigns, propaganda and counter-propaganda. And in this kind of struggle the experience of the coterie was paramount.

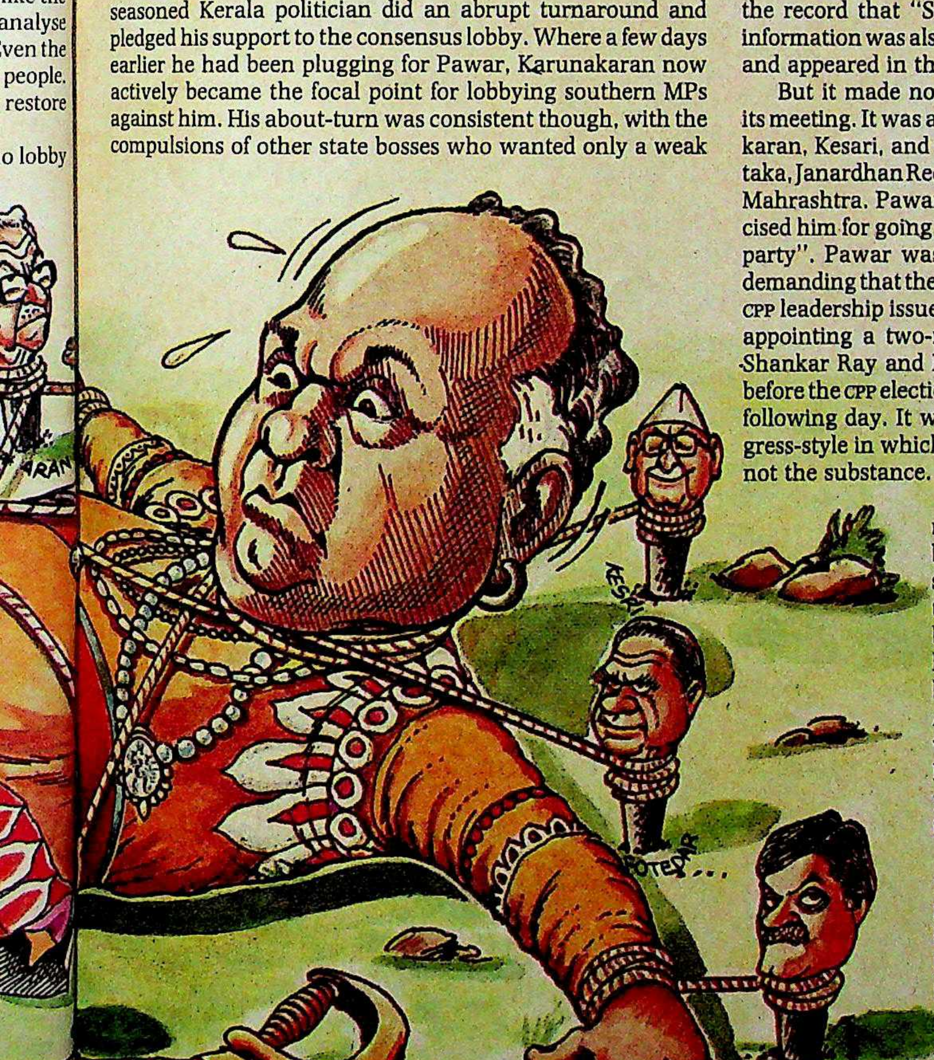
PAWAR may well have had money on his side. But the coterie had Machiavelli. And it used him ruthlessly in order to break Pawar's southern support as well as split the young Turk brigade. One of the key Pawar backers to be targeted was Karunakaran who had led the UDF to triumph in Kerala and had become Pawar's earliest southern lobbyist. The coterie went to work on Karunakaran through his rival A.K. Antony. He was summoned to Delhi and was among the MPs who were sent to see Sonia. Simultaneously, Antony's supporters in Kerala, at the behest of the coterie, began demanding the election of a new leader for the Kerala legislature party. Karunakaran got the message. Loud and clear. Afraid of a manipulated revolt in his state party, the seasoned Kerala politician did an abrupt turnaround and pledged his support to the consensus lobby. Where a few days earlier he had been plugging for Pawar, Karunakaran now actively became the focal point for lobbying southern MPs against him. His about-turn was consistent though, with the compulsions of other state bosses who wanted only a weak leader installed at the top.

And now, heavy pressure was mounted from all sides. Fotedar got into the act and, in what party sources describe as a "frank discussion with Pawarji in which he casually mentioned former Maharashtra deputy chief minister S. Tirpude's pending complaint against Pawarji in the Bombay land dereservations case". Almost simultaneously, a new young Turk brigade, began to canvass for Rao. They included Rajya Sabha member Suresh Pachouri, Youth Congress President Ramesh Chennithala, NSUI President Manish Tiwari and Karunakaran's son and MP, Murlidharan. Their watchword was "loyalty" to the Gandhi family.

More Pawar backers began to jump ship as the date for the June 20 meeting of the Congress Parliamentary Board (CPB) came nearer. Dhawan had "spoken" to Antulay and had "brought about a change of heart", said an insider. Ghulam Nabi Azad had "managed" Murli Deora, while Sitaram Kesari had "handled" Vilas Mutamwar. Even Najma Heptullah called on Rajendra Kumari Bajpai and informed her that she was not against "Raoji who has always been kind to me".

The Pawar camp made a last-ditch attempt to contact Rajiv's residence to confirm whether Sonia was really backing Narasimha Rao. George's assistant, Bala, informed them for the record that "Soniaji was not backing anybody". This information was also relayed by 10, Janpath to a news agency and appeared in the papers the next morning on June 20.

But it made no difference. The CPB had already started its meeting. It was attended by members: Rao, Azad, Karunakaran, Kesari, and chief ministers Bangarappa from Karnataka, Janardhan Reddy from Andhra Pradesh and Pawar from Mahrashtra. Pawar found himself isolated. The board criticised him for going to the press on the "internal affairs of the party". Pawar was defensive but he stuck to his guns in demanding that the views of MPs should be ascertained on the CPP leadership issue. The bosses "acceded" to his demand by appointing a two-member panel consisting of Siddhartha Shankar Ray and Karunakaran to sound MPs individually before the CPP election that was to have been scheduled for the following day. It was a rigged arrangement, typically Congress-style in which rituals of democracy were followed and not the substance.



It was clear that the establishment had reasserted its full control and that the state bosses were arrayed against Pawar. In this situation, an MP could hardly be expected to express his opinion in favour of Pawar before Ray and Karunakaran. Pawar knew this. He knew also that the party bosses were in a mood to humiliate him. And he quickly circulated his statement withdrawing in Rao's favour. As one of Pawar's backers who quicky made peace with the bosses put it: "The mafia is back in the saddle. You just can't beat them."

And the Congress(I) was back to its old ways—managing its affairs through manipulation, rumours and backstabbing. The failed Pawar revolt has established that the restoration of democracy in the Congress(I) requires a full-scale war in which the challenger must have a realistic appraisal of his strength and be powerful enough to split the party if necessary. Even Rajiv Gandhi at the height of his power in 1986 was unable to force elections in his party.

—ZAFAR AGHA

P.V. NARASIMHA RAO

THE MEEK INHERITOR

For long a faithful but unambitious partyman, the prime minister has been honing his intellectual skills for the hour of destiny.

FOR the man standing on the lawns of the colonial bungalow on Motilal Nehru Marg in New Delhi, acknowledging greetings on becoming prime minister, it is a political resurrection. Just when he had resigned himself to a period of quiet retirement filled with hours of listening to classical Indian music and working on his computer, dramatic events catapulted him out of oblivion onto centrestage.

Now, dressed in shining white shoes, a starched white dhoti and silk kurta with a silk shawl draped around his shoulders, and surrounded by a pair of burly SPG men, Pamulaparti Venkata Narasimha Rao, 70, looks dazed as he receives hordes of party workers and well-wishers. He watches the visitors queue up before him for a *darshan*, just as he used to wait on the members of the Nehru-Gandhi dynasty.

Even his family, which was almost indifferent to his political success, has been caught up in the excitement. All his three sons and three of his five daughters rushed to Delhi from Hyderabad to share their father's unexpected moment of glory. Says Prabhakar Rao, the youngest son and managing director of Sinclair Television: "The family feels great. Although we have seen him in power since 1962, this is something special."

Not that the family expects to gain favours from their father's new position. In the past 30-odd years they have been treated as ordinary citizens despite Rao holding high offices. Says Ranga Rao, the eldest son who was recently elected MLA from Hanamkonda in Andhra Pradesh: "My father has never helped to advance my career. If he had, I would not have had to wait 30 years to become an MLA."

> **If Rao has not got credit wherever it was due, he has also escaped flak for some of his failures and, more importantly, evaded any scent of a scam.**

Rao's own career, however, moved much faster. He jumped into the political arena in 1938 at the early age of 17, joining the protest against the Nizam of Hyderabad's ban on singing *Vande Mataram*. And some years later, he participated in the Quit India movement.

After Independence, he was elected member of the Andhra Pradesh Legislative Assembly in 1957, became a minister, and finally the chief minister in 1971. Rao surrendered a staggering 1,200 acres of land in Vangara village in Karimnagar district when he brought in the land ceiling law to expedite land reforms in the state during his chief ministership. All that his family retained was 120 acres which is now occupied by the rural poor with the backing of the Naxalite People's War Group. "Rao got the village everything, including electricity," says sarpanch Pingali Jayapal Reddy.

His tenure as chief minister, however, lasted a mere two years when Mrs Gandhi was forced to dismiss Rao's government and impose President's rule. Despite this setback, Rao was made general secretary of the All India Congress Committee in 1974. After 20 years in state politics, Rao was elected to the Lok Sabha from the Hanamkonda constituency.

By this time, he had already impressed Mrs Gandhi with his intellectual prowess. Recalls a former bureaucrat: "He would come up with pros and cons on every issue and this enabled Indira Gandhi to make decisions." Adds former cabinet colleague Pranab Mukherjee: "Rao and Venkataraman were considered the two wise men of Indira Gandhi." Simultaneously, he remained fanatically loyal to her and never once attempted to challenge her decisions. His subservience paid off when in 1979 she first asked him to draw up the party's manifesto—a task he has been doing ever since—and appointed him foreign minister in 1980.

This was the big break. With his penchant for picking up languages, Rao fitted snugly into the high-flying world of international diplomacy despite being a teetotaller and a vegetarian. A senior diplomat who worked with him considers Rao as the "real spirit of the Non-Aligned Movement, ensuring peaceful co-existence despite differences".

If Rao did not get credit where it was due, he also escaped flak for his failures. For instance, today no one seems to remember that in the turbulent days after Operation Bluestar leading to the assassination of Indira Gandhi, and the anti-Sikh riots in 1984, the critical portfolio of home was being handled by Rao.

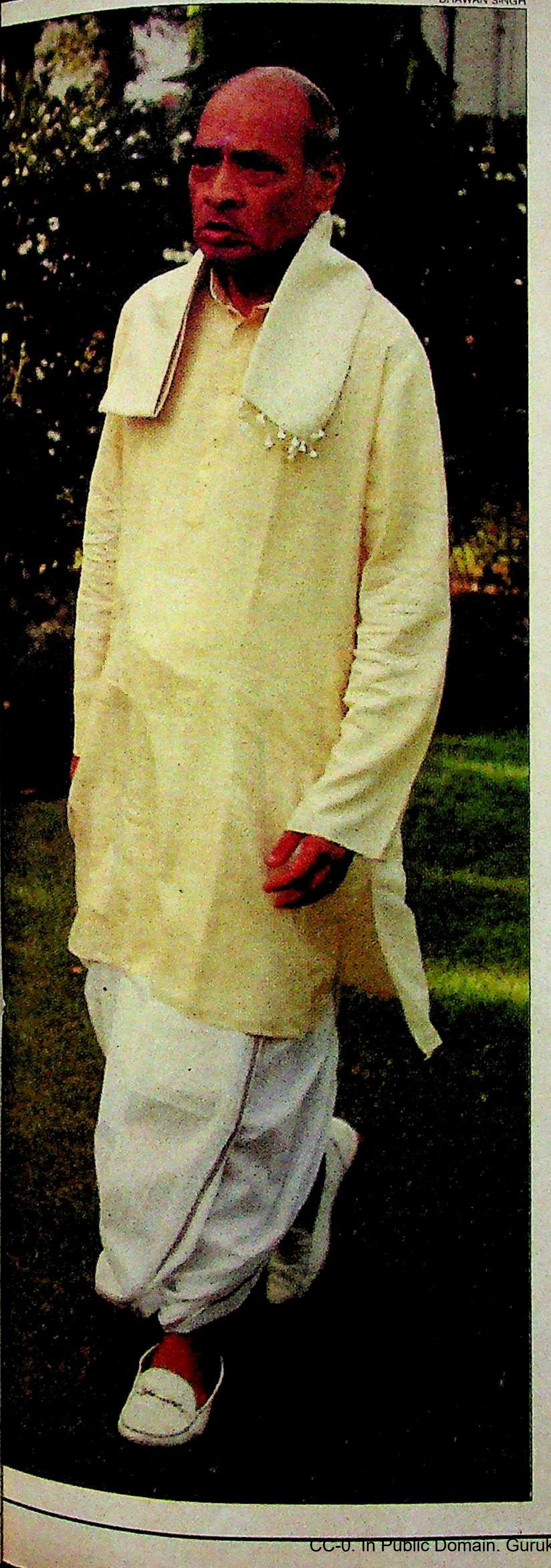
The National Policy on Education (NPE) 1986 was singlehandedly formulated by Rao as human resources development minister on his newly-acquired word-processor in a record six months. But Rao was unable to push for the required funds to implement the ambitious NPE, including the Navodaya schools.

Indeed, most bureaucrats who have interacted with Rao lament his trait of procrastinating decisions. Former cabinet secretary B.G. Deshmukh, however, defends Rao's style of functioning. Says he: "Rao gives the impression of not being decisive because he looks at all aspects of a problem."

Other bureaucrats describe Rao as a great negotiator and persuader. Says Anand Sarup, former education secretary: "His trouble-shooting would be through a process of interaction, conciliation and persuasion." Consequently, Rao is seen as a dove. "He is not a hardliner but he did not mind using force as a last resort." Former bureaucrats reveal that Rao was against sending the Indian Army into Sri Lanka, but once the forces were committed, he was against its withdrawal till the job was completed. The cautious Rao coasted clear of any confrontation. Says former foreign secretary S.K. Singh: "He is truly *ajatashatru*—one who does not have any enemies."

During his long tenure in high office, Rao has deftly evaded any scent of a scam. The only exception being his link with the controversial godman Chandra Swami. Their association

BHAWAN SINGH



dates back to the Hyderabad days. Nonetheless, Rao once confided to a bureaucrat: "He (Chandra Swami) may have some spiritual powers but I don't think he is quite as much as he is made out to be." Despite this scepticism, Rao was not able to sever links and has even been mentioned in the CBI's FIR in the St Kitts case relating to the alleged foreign account held by former prime minister V.P. Singh's son Ajeya Singh. Today, Rao's protagonists are desperate to play down the Chandra Swami connection. "*Arey bhai*, as a minister he has to meet everyone. How can he say no?" asks Ram Khandekar, his personal secretary of six years.

WHILE Rao uses a couple of computers—a Sinclair PC, presented by his youngest son, and a Microsense—for preparing all his reports, manifestos and letters, Khandekar continues to depend on the vintage typewriter. In fact, when Rajiv Gandhi launched the computer era in 1985, Rao was one of the first converts to the new technology. Today, he is so adept with the machines that along with the 10 Indian and four foreign languages, Rao has also taught himself some computer languages and is now able to programme them. And any spare time finds Rao hunched over the computer.

For a man so deeply involved in politics and self-development, there was hardly any time for the family. And when his wife, Satyamma, whom he married at the early age of nine years, died in 1970, he completely immersed himself in politics. A common complaint of all his eight children is that while he is very affectionate, he spent very little time with them. Says son Rajeshwar Rao: "He is not like a modern father who would have a limited family and pay attention to his children." Once, after he was appointed Union home minister in 1984, a reporter noted: "Your private life will be completely disrupted." Rao mused: "I don't have much of a private life."

In fact, it took a serious medical crisis in the family for Rao to show his deep love for the family. When his eldest son Ranga Rao had to undergo a heart bypass operation in June 1990, Narasimha Rao who was on a trip to the US, rushed to Hyderabad and stayed for 24 days, visiting his son in the hospital. Recalls Ranga Rao: "This was his longest stay in Hyderabad in the last 20 years." Ironically, just a month later Narasimha Rao himself had to undergo a coronary bypass as his veins had shrunk by more than 70 per cent due to diabetes.

Rao's diabetic condition dates back 20 years and the blood sugar level had been kept in control with a regulated diet and doses of Dianol tablets. The condition was not serious enough to warrant use of insulin injections. Says a family member: "Had the shrinkage been up to 50 per cent, he could have been treated with angioplasty. But because of the severe condition, he had to undergo a coronary bypass." Rao, who was in the US, was operated at St Lukes Hospital in Houston by the eminent Dr Denton Cooley, and underwent a four-valve bypass.

Since the operation, Rao's life-style has also undergone a change. No longer does he play tennis or badminton. His food, always simple and frugal, has become even more bland and sweets are totally off the menu. By way of exercise he now goes for a very brisk 6 km walk every morning. Getting up at 5.00 a.m. he drives down to Rashtrapati Bhavan. Donning headphones and listening to his favourite Hindustani classical ragas—Bhairavi, Malkauns and Kalyani—on his Sony Discman, he walks the lawns for about an hour. He returns and starts work after a brief rest. Lunch is always at home and after a siesta in the afternoon he is back in action. The day, during which he spends at least three hours in front of his computer, finally ends at 1.00 p.m. What will be watched keenly is whether he will prove decisive enough as prime minister, now that the buck stops with him.

—W.P.S. SIDHU

GENERAL ELECTION

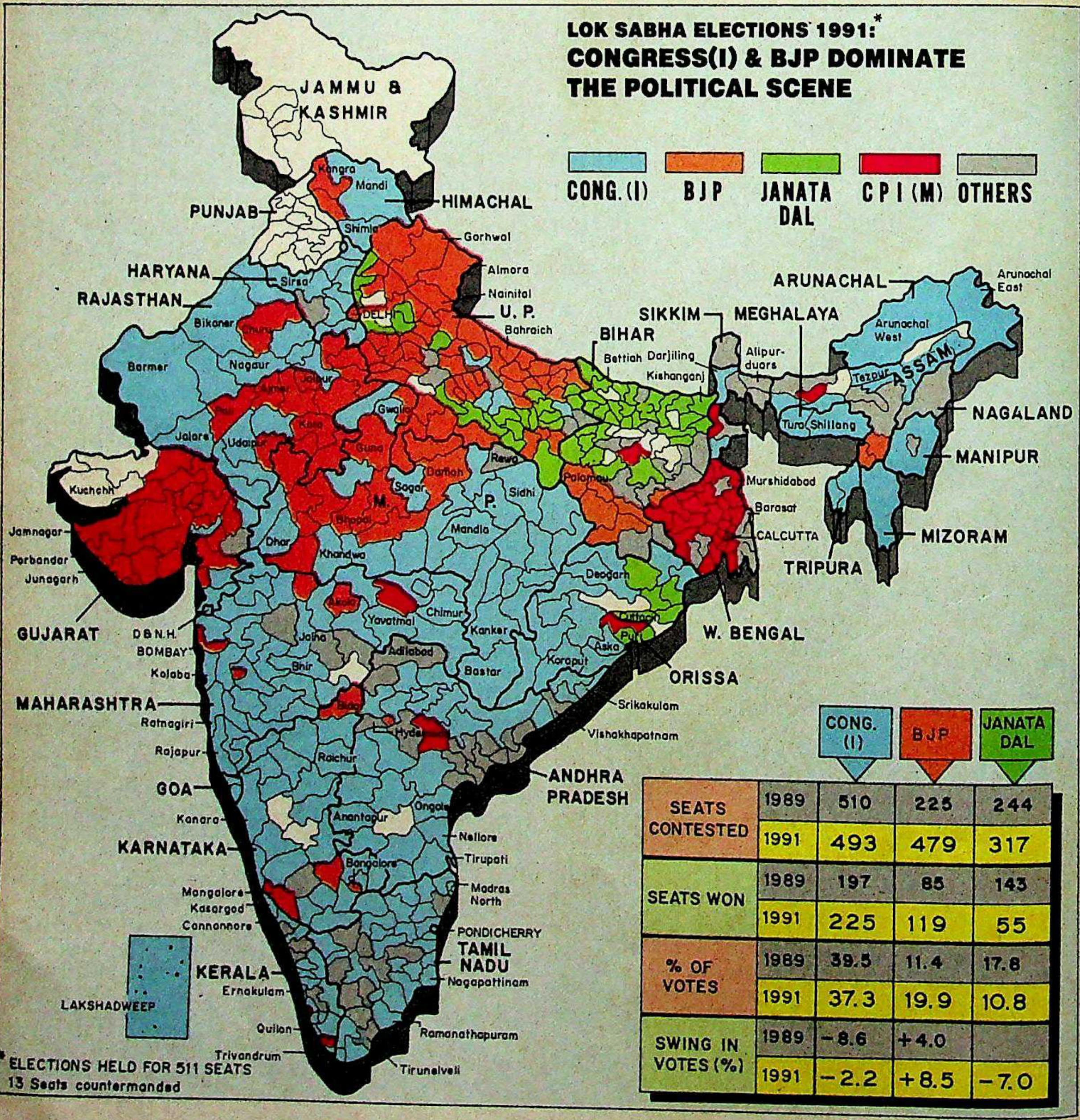
WHAT THE RESULTS M

In order to understand the broader dimensions of the elections and how they altered India's political map and the fortunes of parties, INDIA TODAY spoke to psephologist Prannoy Roy.

What was the most outstanding characteristic of this general election?

IN sharper relief than ever before, the emergence of the federal nature of the country. This was manifest in the diversity of electoral swings that took place. The phenomenon of uniform sweeps for any party across entire regions like the Hindi belt did not happen this time. Swings have been on a state-by-state basis in which local issues have played a crucial role. A related characteristic was that in almost every state two dominant parties have emerged. This election may be a watershed as it may have provided the beginning of a two-party system in the country.

Map and Charts by B.K. SHARMA



LOK SABHA ELECTIONS 1991:*

CONGRESS(I) & BJP DOMINATE THE POLITICAL SCENE

CONG.(I)
BJP
JANATA DAL
CPI(M)
OTHERS
JAMMU & KASHMIR
PUNJAB
HIMACHAL
Kangra
Mandi
Shimla
Garhwal
HARYANA
Sirsa
Almora
Nainital
RAJASTHAN
DELHI
U. P.
Bahraich
Bikaner
Churu
Barmer
Nagaur
Jaipur
Ajmer
Jalore
Udaipur
Kota
Guna
Gwalior
Rewa
Damoh
Sagar
Sidhi
M. P.
Bhopal
Mandla
Dhar
Khandwa
Kuchchh
Jamnagar
Porbandar
Junagarh
GUJARAT
D&N.H.
BOMBAY
Kolaba
MAHARASHTRA
Ratnagiri
Rajapur
GOA
Kanara
KARNATAKA
Mangalore
Kasargod
Cannanore
KERALA
Ernakulam
LAKSHADWEEP
Quilon
Trivandrum
Tirunelveli
Ramanathapuram
Nagapattinam
TAMIL NADU
PONDICHERRY
Madras North
Tirupati
Nellore
Bangalore
Anantapur
Ongole
Raichur
Hyderabad
Bidar
Bhir
Jalna
Adilabad
Akola
Yavatmal
Chimur
Kanker
Bastar
Koraput
Aska
Puri
Cuttack
ORISSA
Srikakulam
Vishakhapatnam
ANDHRA PRADESH
Deogarh
Palamau
W. BENGAL
Calcutta
Barasat
Murshidabad
BIHAR
Bettiah
Darjiling
Kishanganj
SIKKIM
Alipurduars
MEGHALAYA
Tura
Shillong
ARUNACHAL
Arunachal East
Arunachal West
Tezpur
ASSAM
NAGALAND
MANIPUR
MIZORAM
TRIPURA

		CONG. (I)	BJP	JANATA DAL
SEATS CONTESTED	1989	510	225	244
	1991	493	479	317
SEATS WON	1989	197	85	143
	1991	225	119	55
% OF VOTES	1989	39.5	11.4	17.8
	1991	37.3	19.9	10.8
SWING IN VOTES (%)	1989	−8.6	+4.0	
	1991	−2.2	+8.5	−7.0

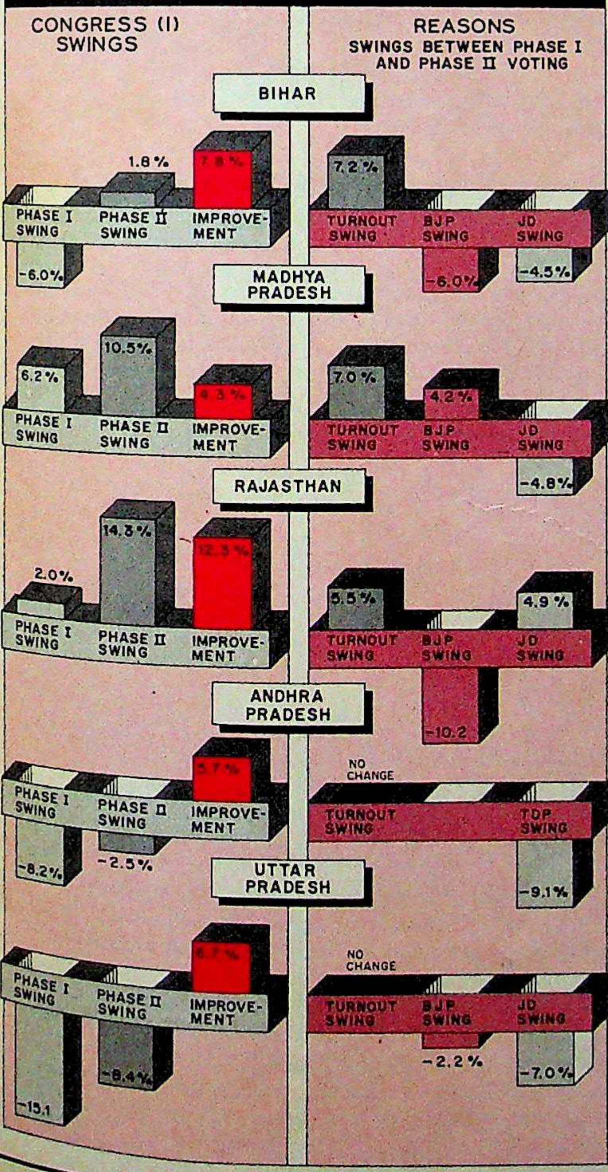
* ELECTIONS HELD FOR 511 SEATS
13 Seats countermanded

TS MEAN

Was there a sympathy wave in Congress(I)'s favour following Rajiv Gandhi's assassination?

NATION-WIDE there was a swing away from the Congress(I) of 5.7 per cent in the first round of voting in May, which changed to a swing in favour of the Congress(I) of 1.6 per cent in the second round of voting in June. Consequently, it would appear that the assassination was definitely a factor in increasing the Congress(I)'s vote percentage. The increase in turnout in the post-assassination voting seemed to have been an important factor in the Congress(I)'s improved performance. Voters who may have been leaning towards the party but may not have been motivated enough or too apathetic to vote eventually, were jolted by the tragedy into coming out in larger numbers to vote for the party during the second phase of polling. For example, the voter turnout in Bihar rose from 56 per cent in the first phase to 63 per cent in the second. The Bihar swing of 6 per cent against the Congress(I) in the first phase was converted to a swing in its favour of 1.8 per cent in the second phase. In Madhya Pradesh too the turnout shot up from 42 to 49 per cent, and the swing in favour of the Congress(I) rose correspondingly by over 4 per cent. Rajasthan witnessed the sharpest change in Congress(I) fortunes between the two rounds of polling. From a small 2 per cent swing in its favour, the June round swing was a massive 14 per cent for the Congress(I). At the same time the turnout went up by 5 per cent. But an increase in turnout of Congress(I) voters was clearly not the only factor. In most states there was also a switch in voters to the Congress(I). In Andhra Pradesh, about 9 per cent of the Telugu Desam voters deserted the party in the second phase of polling. In Bihar both the Janata Dal and the BJP lost considerable votes to the Congress(I). In Rajasthan the BJP was the prime loser. In Uttar Pradesh and Madhya Pradesh, the Janata Dal lost heavily while the BJP held on to its support in Uttar Pradesh and gained in Madhya Pradesh in the second phase.

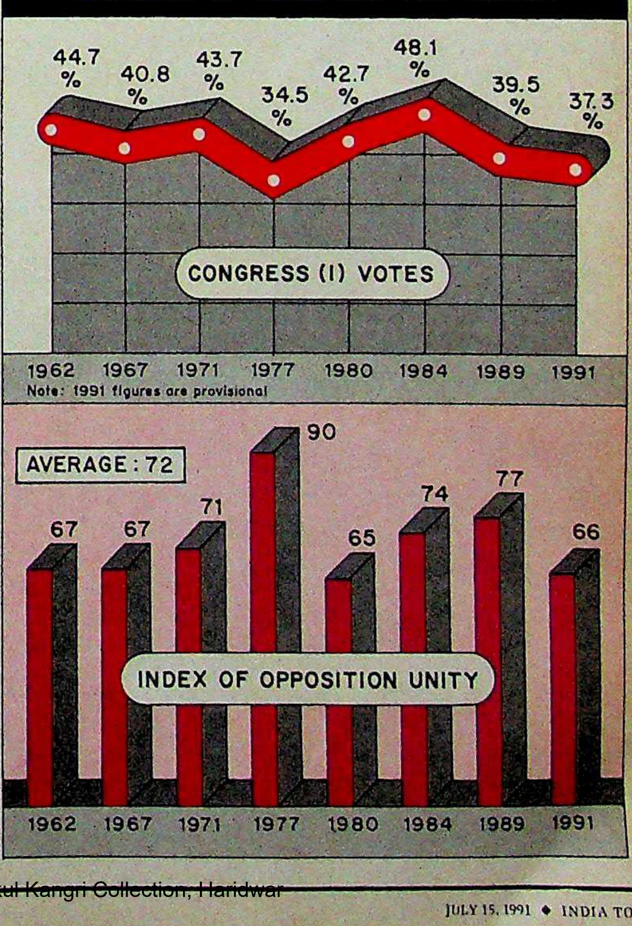
DIFFERENCES BETWEEN PHASE 1 (MAY VOTING) & PHASE 2 (JUNE VOTING)



How important a factor this time was the index of opposition unity (IOU)?

THE Congress(I) vote declined from 39.5 per cent in 1989 to 38 per cent in these elections. Despite this drop, the party won about 30 more seats this time. The reason for this was a more divided opposition vote than in 1989. The index of

CONGRESS (I) VOTES AND IOU TRENDS



Note: 1991 figures are provisional

opposition unity was lower this time—66 as against 77 in 1989. A drop of 11 per cent in the IOU has the same effect as a swing in votes to the Congress(I) of about 3.5 per cent. The net impact therefore was the equivalent of a 1.5 per cent swing towards the Congress(I).

Another important factor to be noted is that since about 20 seats change hands for every 1 per cent swing, the net gain for the Congress(I) of 30 seats was the result of a change in votes and in the IOU taken together.

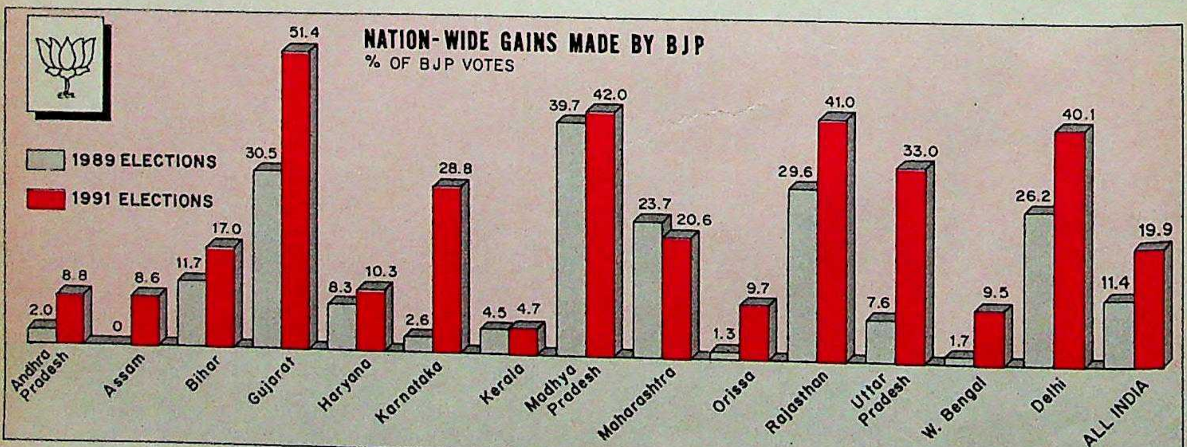
The IOU tends to affect the dominant party in a state. For example, in previous elections, the CPI(M) in West Bengal and the Telugu Desam in Andhra Pradesh had benefited from a low IOU. This time a low IOU favoured the BJP in Uttar Pradesh. The split in the non-BJP vote helped the BJP in much the same way as the split opposition vote used to traditionally help the Congress(I).

In 1989 the IOU (non-Congress vote) in Uttar Pradesh was 64. This time the anti-BJP IOU in the state was computed at 45—down nearly 20 per cent. This meant that despite getting only 33 per cent of the vote, the BJP still won over 50, or almost two-thirds, of the seats.

But as far as Uttar Pradesh is concerned, nothing can detract from the deep trough that the Congress(I) has reached in the dominant north Indian state which has 85 seats. The party is now left with just 18 per cent of the vote as against about 32 per cent the last time. And amazingly, almost half the Congress(I) candidates lost their deposits in the state which was not too long back their fief.

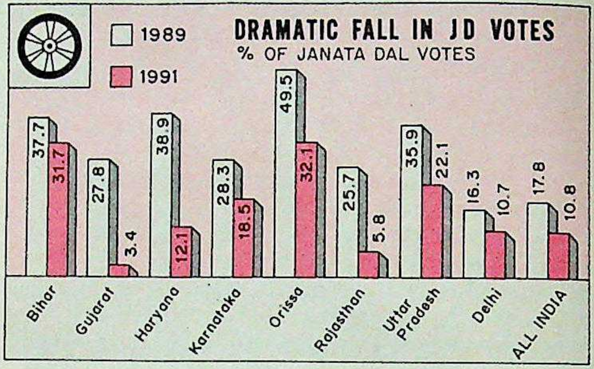
What was the biggest surprise in this election?

THE BJP emerging as a major party by nearly doubling its national vote share from 11 per cent last time to 20 per cent. It came second, after Congress(I) of course, winning 119 seats. Pertinently, the party had gone to the polls without any alliance, except with the Shiv Sena in Maharashtra, or seat arrangements as in the 1989 elections. The party has also chalked up impressive percentile gains—even where it received none or only a few seats—in states like Karnataka, Andhra Pradesh and West Bengal. For example, its vote percentage in the Marxist bastion West Bengal rose from 1.5 to 9.5 per cent. But its gain in vote percentages in many states is also a reflection of the fact that this time it contested many more seats there than in 1989. Overall, the party had fielded its candidates from an unprecedented 480 constituencies. Significantly, BJP candidates came second, in about 130 constituencies.



How did the Janata Dal perform?

THE Janata Dal will be very disappointed by the results in these elections. It eventually ended up with any real presence in only three states: Uttar Pradesh, Bihar and Orissa. Its overall vote percentage was down by 5 per cent—the biggest drop for any party in these elections.



And even in a state like Bihar where it held near-complete sway its overall voteshare—31.7 per cent—was 4 per cent less than in 1989. It will take a concerted effort and massive shift in its political plank for the Janata Dal to recapture its 1989 glory and emerge once again as a national force.

What will it take for the BJP to emerge as a majority party at the Centre?

IT takes about 40 per cent of the national vote (assuming that the elections are fought with a divided opposition) to gain a majority of seats in the Lok Sabha. The BJP is still a long distance from that threshold and it will need even more dramatic swings to bring it to that level and be in a position to form a government at the Centre. The Congress(I), even with a 38 per cent share, still needs 3 per cent more votes to win a comfortable majority.

For this it will have to crawl out of its deep hole in the large states of Uttar Pradesh and Bihar while maintaining its strength in the south and the west. The problem that confronts the BJP is that in any future election the Congress(I), which is its main opponent, can fight from a position of power unlike in these elections. ■

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THE STATES

SWING PATTERNS

A rather unique feature of the tenth Lok Sabha elections, was that there were no regional sweeps in favour of any party, and each state displayed its own distinct voting trend.

THE NORTH

Dramatic Gains

BJP expands electoral base

HARYANA: The swing in favour of the Congress(I) was a categorical rebuff to Devi Lal and his family from the voter. The electorate was seeking an alternative in the Congress(I). The split in the non-Congress(I) vote, also helped the party to romp home to victory. It did well in the BJP strongholds of Ambala and Karnal and in the Jat lands of Rohtak, Kurukshetra, Hissar. By fielding candidates of all castes, the Congress(I) made inroads into the pocket boroughs of the SJP and the BJP.

The SJP came out of the election badly mauled, unable even to win a majority of the Jat votes—these ended up being split amongst the various parties. The BJP, to its infinite disbelief, failed to win any Lok Sabha seat. And this after fightng in every constituency. Even in the cities it found that local issues such as the unbelievable misrule of Devi Lal and his offspring eclipsed the business of the Ram mandir.

UTTAR PRADESH: The results both of the Lok Sabha and the Vidhan Sabha polls clearly indicate a highly polarised voting which cut across traditional caste and creed barriers. There is no doubt that the BJP's astounding victory had a lot to do with Mulayam Singh Yadav's handling of the kar sewa agitation in Ayodhya. In the case of the Janata Dal, Muslim support helped it more than Mandal because the backward caste vote was split between the Janata Dal and the SJP and significant sections of them opted for the BJP. Had it not been for the Muslim votes, the Janata Dal would have been as badly placed as the SJP.

The results also mean that all the Congress(I)'s vote banks in the state have disintegrated. The Muslims have given their allegiance to the Janata Dal, the hardline and upper caste Hindus to the BJP and Harijans have veered towards the Bahujan Samaj Party which drew a complete blank in the Lok Sabha elections but managed to maintain its vote bank of around 9.5 per cent.

The BJP is naturally exultant about its triumph. Its leaders are particularly satisfied with the almost uniform pattern of inroads it made in the six different regions of the state. Two areas were especially significant: the hill region and Bundelkhand. In the past it has never won a single seat in the hills. And its success in the Muslim-dominated Bundelkhand region where it won seven seats was perticularly significant. What is giving party leaders tremendous satisfaction is that they believe they have established a solid vote bank which will endure in the future.

Tables by MAHENDRA RATHORE

HARYANA

PARTIES	CONG	JD	BJP	SJP
VOTE	38.0	12.1	10.3	26.2
SWINGS	−8.1	−12.2	+2.0	+26.2
SEATS	9	0	0	0

IOU	1984	1989	1991
	65	87	55

UTTAR PRADESH

PARTIES	CONG	JD	BJP	BSP
VOTE	18.1	22.1	33.0	8.0
SWINGS	−12.2	−10.4	+24.8	−1.5
SEATS	5	22	50	0

IOU	1984	1989	1991
	57	64	45

HIMACHAL PRADESH

PARTIES	CONG	JD	BJP	SJP
VOTE	46.2	7.0	42.8	1.3
SWINGS	+4.2	+0.2	−2.4	—
SEATS	2	0	2	0

IOU	1984	1989	1991
	82	78	80

DELHI

PARTIES	CONG	JD	BJP	SJP
VOTE	34.9	10.7	40.1	0.8
SWINGS	−8.6	−5.6	+13.9	+0.8
SEATS	2	0	5	0

IOU	1984	1989	1991
	89	81	65

All figures in Vote and Swings are in percentage.

HIMACHAL PRADESH: The major shock for the BJP was the defeat of state party president Maheshwar Singh in Mandi to a Congress(I) nominee and its share of the vote also fell. Its victory in Hamirpur and Kangra was more arithmetical than political. It won the two seats due to the presence of Janata Dal candidates who cut into the Congress(I) votes. In the apple growing area the party lost out because of its reduction of the apple support price and in areas with an OBC population it lost out because of its rejection of Mandal.

As for the Congress(I) it is exhilarated by its victory although it knows that it was more to do with an anti-establishment vote against the ruling BJP than a wave in its favour. Nevertheless, it mustered support by raising issues such as the apple support price and inflation. The party is on a forward march and would have done much better if the Janata Dal had not been in the fray. Though the election will have no immediate impact on the BJP Government in the state, the emboldened Congress(I) will step up the pressure.

DELHI: Though only seven parliamentary seats are at stake political parties attach much importance to the elections in Delhi because they often set political trends. Though the Congress(I) gave a close chase to the BJP in most of the constituencies it could not win more seats because of triangular contests. The Janata Dal presence undoubtedly helped the BJP retain its hold over the capital. Janata Dal candidate Manju Mohan, for example, polled over 20,000 votes, mostly Muslim and Harijan. Had she not been in the picture, the Congress(I) candidate Rajesh Khanna would have defeated L. K. Advani.

Political observers are intrigued by the sudden rise in the Congress(I) stock in the capital even though pollings took place there before Rajiv Gandhi's assassination. Despite intra-party feuds, the Congress(I), wherever it lost, did so by a narrow margin. The reason why the BJP did not win by bigger margins can be attributed to the bigoted rhetoric of people such as Sadhvi Ritambhara. The middle classes, it seems reacted very sharply to the rabid communalisation of politics.

THE SOUTH

Sympathy Surge

Congress(I) sweeps all the states

ANDHRA PRADESH: The Telugu Desam Party (TDP) was all set to recover from the ruination it suffered in 1989 when Rajiv's assassination stopped it in its tracks. The sympathy factor was an undoubted element in the Congress(I)'s impressive victory. It was also fortunate in that elections for a majority of the seats were held after the murder. There was such a strong anti-Congress(I) wave in the state that, had it not been for Rajiv's death, the TDP would have been assured of victory. As it was, the Congress(I) walked off with 24 of the 41 seats, helped by the split in the non-Congress vote between the TDP and the BJP. What disturbed the leadership was the loss of 11 of the 18 seats in the politically sensitive coastal region of Andhra Pradesh although it managed to arrest the TDP "cyclone" on the south coast where it won three seats.

It was the same sympathy factor that stymied the progress of the BJP although it still won 9 per cent of the vote—24 lakh of which 7.7 lakh was secured in Hyderabad and Secunderabad alone. A resurgent BJP will now try to expand its base in local bodies. Its election plan had been to emerge as the main competitor to the Congress(I) but that will have to be put on hold for the moment as the TDP has fared reasonably well with 13 seats after its atrocious tally of two in 1989.

KARNATAKA: The outstanding features here were the Congress(I) grabbing the lion's share of the seats, the utter obliteration of the Janata Dal and the BJP's surprise victory in four constituencies, based on a phenomenal increase in its vote from 2.89 per cent in 1989 to 28.8 per cent. Even the

ANDHRA PRADESH

PARTIES	CONG	JD	BJP	TDP
VOTE	45.8	0.6	8.8	32.7
SWINGS	−4.9	−0.1	+6.7	−0.7
SEATS	24	0	1	14

	1984	1989	1991
IOU	19	19	75

KARNATAKA

PARTIES	CONG	JD	BJP	KRS
VOTE	41.9	18.5	28.8	2.6
SWINGS	−6.9	−3.6	+26.2	+0.5
SEATS	21	0	4	0

	1984	1989	1991
IOU	86	63	60

KERALA

PARTIES	CONG	JD	BJP	CPM
VOTE	38.7	4.5	4.7	20.7
SWINGS	−0.6	+4.5	+0.5	+4.4
SEATS	13	0	0	3

	1984	1989	1991
IOU	88	89	81

TAMIL NADU

PARTIES	CONG	JD	BJP	ADMK*
VOTE	42.5	2.9	1.4	18.1
SWINGS	+4.3	+1.5	+1.2	+2.2
SEATS	28	0	0	11

	1984	1989	1991
IOU	92	91	73

*ADMK—AIADMK

Janata Dal's chieftain Ramakrishna Hegde suffered an ignominious defeat in Bagalkot.

Leaving aside the boost the Congress(I) got from the sympathy factor, it rode to power on the backward vote. The unceremonious replacement of Veerendra Patil by S. Bangarappa helped matters. But the BJP succeeded in eroding even this vote bank to some extent, not to mention walking away with a whole tranche of votes of the state's dominant castes, the Vokkaligas and Lingayats.

In many places the BJP emerged as the second contender, pushing the Janata Dal into third place. The state seems set for a two-party scene in which any third force gets squeezed out.

KERALA: Victory is all the sweeter when it's unexpected. The Congress(I)-led United Democratic Front entered the election in a battered state but still won 16 seats. The UDF now plans to use its success to build a base at grassroots level so as to neutralise the Marxists' "hold" on the state. After Rajiv's death, the Congress(I) whipped up sentiment, taking Rajiv's ashes into all the constituencies. In particular, it consolidated its position in central Kerala and seized the Palghat seat, the citadel of the CPI(M). The Left Democratic Front (LDF), who are in power in the district councils, found themselves routed. Although their support base did not shrink even a slight swing of a few votes can upset things in Kerala. The Janata Dal, one of the constituents of the LDF, was unable to capitalise on the Mandal campaigns launched by V.P. Singh early on in the elections.

The BJP has emerged as kingmaker. Although it is in no position to win even a single seat, it is in the enviable position of deciding who will win. It made sure it used this position to bring about the LDF's defeat, knowing that for its growth in Kerala it must reduce the Marxists' influence in the state.

TAMIL NADU: The victorious campaign of the Congress(I) and the AIADMK was built around the issue of stability and an attack on the DMK's "pro-LTTE" policies. Jayalalitha rammed home the message that the DMK had allowed the scourge of militancy to grow in the state. After Rajiv's assassination, such a policy obviously brought rich rewards for the party. While there has been no major change in the electoral arithmetic of the state there was nevertheless an erosion of the DMK's vote bank from 33 to 22 per cent. The threat posed to Karunanidhi's leadership is obvious.

It was abject defeat for the DMK-Janata Dal alliance, although to a large extent it had been expected. The DMK's campaign had revolved around how "traitors" had prevented the Karunanidhi government from functioning effectively to help the poor. But all the pro-Mandal talk was silenced by the Jayalalitha wave that swept the state. Her advantage was that her appeal is not restricted to any particular district. In fact, the AIADMK captured previously DMK-held strongholds such as Madras City and Thanjavur district.

THE EAST

Different Strokes

States give distinct verdicts

ASSAM: The political geography of Assam has been transformed. Having been trounced by Assamese nationalism in the 1985 election, the Congress(I) has re-surfaced as a powerful force in the state. The verdict was loud and clear: an unambiguous rejection of separatism and the shambling Asom Gana Parishad (AGP) government. Its near-clean sweep in upper Assam, an area torn apart by vicious battles between militants and the army, was an indication that the people were voting against violence and lawlessness.

The other big shock was the emergence of the BJP in the Barak valley, a Congress(I) bastion. With no base to speak of, it nevertheless emerged as the third force after the Congress(I) and the AGP. The National Front suffered a rout.

BIHAR: Bihar inflicted an appalling defeat on the Congress(I). The blame can be laid squarely at the door of a handful of forward caste leaders who made the fatal mistake of leading a fierce anti-reservation agitation, branding the Congress(I) as an enemy of social justice. This left the field clear for Chief Minister Laloo Prasad Yadav to mobilise the backward castes. The polarisation on caste lines left the Congress(I) perching on the very narrow ledge of the forward castes (11 per cent), whose votes were split three ways—the BJP, the Congress(I) and the SJP—leaving it high and dry.

Although the BJP won only five seats, it increased its vote share by about 5 per cent to 17 per cent. A further consolation was that it improved its position under its own steam.

A similar boast could be made by Yadav who steered the Janata Dal to a victory in a state where the party had no organisational base. For the first time the backwards have broken the back of "Brahminical" dominance. Not a single forward caste candidate, except those under Yadav's wing, won in Bihar. So complete was Yadav's supremacy that he even forced the CPI to adopt the theory of caste struggle in place of class war.

ORISSA: The Orissa strongman, Biju Patnaik, has been humbled. His Janata Dal won only six seats, compared to 18 last time, showing a considerable swing away from the Janata Dal. The beneficiary was the Congress(I) whose vote share

ASSAM

PARTIES	CONG	JD	BJP	AGP
VOTE	28.7	3.7	8.6	17.0
SWINGS	—	—	—	—
SEATS	8	0	2	2

IOU	1984	1989	1991
	73	—	43

BIHAR

PARTIES	CONG	JD	BJP	JMM
VOTE	22.1	31.7	17.0	4.8
SWINGS	−4.2	−4.1	+4.8	+1.7
SEATS	0	27	5	6

IOU	1984	1989	1991
	63	71	63

ORISSA				
PARTIES	CONG	JD	BJP	SJP
VOTE	43.7	32.1	9.7	3.1
SWINGS	+5.3	−16.9	+8.3	+3.1
SEATS	12	6	0	0

	1984	1989	1991
IOU	79	91	67

WEST BENGAL				
PARTIES	CONG	JD	BJP	CPM
VOTE	34.9	1.2	9.5	35.1
SWINGS	−4.9	−0.7	+7.9	+0.2
SEATS	5	0	0	27

	1984	1989	1991
IOU	92	90	76

went up by 6 per cent.

Patnaik explained the dismal showing by attributing it to the sympathy factor and a low voter turnout due to the festive season of Raja. Patnaik now has to deal with dissidents in the party as well as a rejuvenated Congress(I) in a post-election situation which has reduced his clout in the party and the state.

Though the sympathy factor undoubtedly contributed to the Congress(I)'s good showing, anger at Patnaik's government also played its part. "The results are a clear mandate and Biju should immediately resign," said Basanta Kumar Biswal, Congress(I) leader in the Assembly.

NORTH EAST			
PARTIES	CONG	JD	BJP
VOTE %	52.4	10.0	4.6
SWINGS	+5.0	+9.8	+1.1
SEATS	8	0	0

	1984	1989	1991
IOU	—	—	62

WEST BENGAL: The Congress(I) continues to wander in the wilderness while an understandably smug Left Front is settling down to business as usual. Congress(I) workers are disconsolate at seeing their vote bank, shrinking by a further 5 per cent. In many seats they were edged out by the BJP, reflecting poorly on S.S. Ray. The party's campaign was so limp that it even failed to exploit the discontent against the ruling leftists. Through its failure to present itself as a clean, viable alternative it handed over votes to the BJP.

As for the CPI(M) and its allies, they had foreseen a decline in their vote share and taken pre-emptive measures. Over 60 sitting MLAs were replaced and new faces drafted. The split in the anti-Left vote between the Congress(I) and the BJP also helped. Nor is the CPI(M) going to ignore the threat posed by the BJP: "We have to exert ourselves even more to thwart the communal forces," said Biman Bose, a member of the party state committee.

THE NORTH-EAST: In the six north-eastern states the Congress(I)'s monopoly was broken by regional forces for the first time. The six states—Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland and Tripura—all have 10 Lok Sabha seats. In the last election, despite a strong anti-Congress(I) wave, the party was able to capture every seat.

This time it lost in one of the Manipur constituencies to a regional party (the Manipur People's Party) and the lone Nagaland seat went to the Nagaland People's Council. The Congress(I) held on to the remaining eight.

Tripura presented a different picture. Traditionally a Marxist stronghold, the Congress(I) was able to capture power when the Centre moved the army in on election-eve in 1988. Once in power the Congress(I) launched an anti-Marxist campaign and on the eve of these elections, again launched a violent campaign against the CPI(M). As a result the CPI(M) boycotted the elections. The two seats therefore fell into the Congress(I)'s lap.

THE WEST

Turning the Tide

Congress(I) manages to hold the fort

GUJARAT: Hindu nationalism won the day in Gujarat, helped by the BJP's high profile campaign. It contested all 25 seats and grabbed 20 of them with a phenomenal 50.67 share of the vote. The trio of Narendra Modi, Shankarsinh Vaghela and Keshubhai Patel carved out their supremacy in key regions—Vaghela emerged as a powerful leader in the north and central Gujarat, Keshubhai holds sway over Saurashtra while Modi tightened his grip over the Dalits.

Even after Rajiv's assassination the Congress(I) failed to make any dent in the BJP's vote bank and as for the state's middle class, it recoiled from the Janata Dal and gave rock solid support to the BJP. Matters were not helped by Chimanbhai Patel's shameless horse-trading to stay in power. His Janata Dal(Gujarat)'s regional appeal also fell flat. The party is still reeling from the ignominy of winning just one seat.

It was shock, horror and despair in the Congress(I) camp too. All it managed was one more seat than last time—a grand total of four. The party now plans to revitalise itself to counter the Hindutva appeal. The Congress(I)'s alliance with the discredited Chimanbhai proved to be a kiss of death. The backward communities deserted it in droves. Even its most modest expectation—that the Patels would be won over by Chimanbhai—bit the dust. The Patels went over to the BJP. The combination of all these factors meant the Congress(I) was wiped out in Saurashtra and the north.

MAHARASHTRA: The BJP-Shiv Sena combine was trounced. Having given the Congress(I) an almighty fight in 1989 by winning 14 seats it failed to live up to its promise. Bal Thackeray's loose tongue panicked the BJP somewhat when,

GUJARAT

PARTIES	CONG	JD	BJP	JDG
VOTE	28.4	3.4	51.4	13.5
SWINGS	−4.4	−23.4	+21.8	+13.5
SEATS	4	0	20	1

IOU	1984	1989	1991
IOU	84	97	76

MADHYA PRADESH

PARTIES	CONG	JD	BJP	SJP
VOTE	45.3	4.4	42.0	1.2
SWINGS	−7.6	−3.9	+2.3	+1.2
SEATS	27	0	12	0

IOU	1984	1989	1991
IOU	73	77	77

MAHARASHTRA

PARTIES	CONG	JD	BJP	SHS
VOTE	48.4	10.9	20.6	9.1
SWINGS	+3.0	+0.9	+0.1	+8.2
SEATS	37	0	5	4

IOU	1984	1989	1991
IOU	71	72	64

RAJASTHAN

PARTIES	CONG	JD	BJP	SJP
VOTE	44.1	5.8	41.0	3.2
SWINGS	+7.1	−17.3	+11.4	+3.2
SEATS	13	0	12	0

IOU	1984	1989	1991
IOU	66	90	74

for example, he praised Mahatama Gandhi's assassin. Dharam Chordia, party general secretary in Maharashtra said: "The main reason for our defeat was that the PDF and the Janata Dal could not arrive at a proper division and these votes went to the Congress(I). The stability factor, combined with the sympathy wave, laid us low."

The party also blamed the low voter turnout for the defeat. Bombay, for example, saw the lowest voter turnout since 1952—about 44 per cent. Whatever the reason, the BJP-Shiv Sena lost their stronghold in the coastal belt of the Konkan along with parts of Marathwada and Vidarbha. Not surprisingly there are people in the BJP who now wonder whether the BJP should have had any truck with the Shiv Sena at all. It should perhaps have heeded the fact that many people in Maharashtra deride the Shiv Sena as a "Goon Party" and abhor Thackeray's advocacy of "controlled violence".

If the BJP's reliance on the "charismatic figure" of Thackeray turned out to be a disaster, the Congress(I) found it could rely on Sharad Pawar as the man who exploded the myth that the name of Ram and Shivaji spelt sure victory. His impressive organisational talents were an undoubted element in the party's victory. The sympathy factor after Rajiv's death helped, but not enough to save Vasant Sathe and V.N. Gadgil, who found themselves bereft of a mandate.

MADHYA PRADESH: The BJP is still reeling from an anti-establishment vote. For the average voter, having been deafened by the BJP's promises of "creating a new political culture", it was a question of trying to "spot the difference" and failing. The Congress(I) tasted sweet revenge for the drubbing it suffered in the last election when it won only eight of the 40 seats. The Janata Dal disappeared altogether.

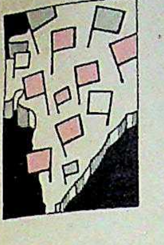
The Congress(I) has already demanded the resignation of Chief Minister Sunderlal Patwa on "moral grounds". The Congress(I) benefited from a swing in its favour of around 7 per cent and from the split in the opposition vote. Last time the BJP-Janata Dal alliance won 33 seats by polling 48.7 per cent of the votes. This time round although they polled 46.14 per cent (1 per cent more than the Congress) the BJP got only 12 seats and the Janata Dal drew a blank. In the first round of polling the party had 42.7 per cent; in the second 50.8 per cent.

The BJP rather overplayed the Ram card. It failed to impress the tribals and Harijans who constitute almost one-third of the total vote. It also pushed the Muslims towards the Congress(I). The BJP is busy dissecting its defeat. Pressure is building up in the party to punish Patwa, widely held to be responsible for the poor showing. Nevertheless, what has been established in Madhya Pradesh is a two-party set-up. The BJP has managed to retain its vote bank. In fact it has never polled less than 30 per cent of the vote since 1967. Nor has the Congress(I).

RAJASTHAN: The BJP did not do as badly as in Madhya Pradesh but it lost five seats to the Congress(I) because of an anti-establishment vote. The failure of the Shekhawat Government to control communal riots and the disintegration of the Rajput-Jat combination dealt a blow to the BJP. Though its tally of 13 seats was reduced to 12, it nevertheless polled 41.00 per cent of the votes as against 29.64 in the last election. The BJP maintained its traditional stronghold in the Hadoti region and also succeeded in penetrating the Congress(I)'s traditional constituencies in the north-east of the state.

A swing of 7.1 per cent helped the Congress(I) to walk away with 13 of the 25 Lok Sabha seats. It recaptured its old bastions in the state. The Janata Dal drew a blank, a big disappointment from its figure of 11 seats in the last election.

The BJP has blamed the sympathy factor, pointing to the fact that it won 10 seats where polling was held on May 20 and only two where elections were held on June 12. The fact remains that its bastions of Udaipur, Bhilwara and Dausa were breached although it managed to hang on to the most prestigious seat of Chittorgarh. The two parties are now very evenly matched but Chief Minister Bhairon Singh Shekhawat has said the BJP will sweep to victory if the Congress(I) forces state Assembly elections. It was Shekhawat's personal standing and aggressive campaigning which prevented the BJP from doing any worse than it did. ■



STATE ASSEMBLIES

ROOTING FOR CHANGE

While an anti-establishment wave helped the Congress(I) wrest Haryana, Kerala and Assam, the BJP made spectacular gains in Uttar Pradesh.

UTTAR PRADESH

TOTAL: 425; Elections held: 404; JD: 91;

SJP: 30; INC: 46; BJP: 211; Others: 26.

The Lotus Blooms

UTTAR Pradesh has been visited by a peculiar political paradox. Kalyan Singh, the state's 22nd chief minister, not only heads the maiden BJP Government in the state but also leads the first ever government to have a diametrically opposed party ruling at the Centre.

Traditionally, Uttar Pradesh has given the country virtually all its prime ministers and in turn has had sympathetic governments at the Centre. So the prospect of divergent governments in Delhi and in Lucknow is rather grim for this backward state. A slight hitch in the Centre's active support could spell major trouble. As it is, the outgoing chief minister Mulayam Singh Yadav's confrontation with the BJP and later the Janata Dal has raised the political temperature. His term was marked by turbulence and a stalled administration.

The people's anger towards his destructive regime was the main reason behind the BJP's spectacular success. As most of his ministers lost, Mulayam's personal humiliation is far greater than the shock to the Congress(I) which barely won 46 seats. The BJP scored because of a clear-cut ideology and contesting without any coalition which the electorate is disenchanted with.

Singh: trouble ahead

But what turned the tide was the polarisation created by Mulayam's mess and the Janata Dal's Mandal campaign. The uniformity of the BJP's performance in the six regions of the state bears adequate testimony to that. In backwards-dominated eastern Uttar Pradesh, it got as many as 81 of the 157 seats. In the western region—the Jat belt where the party hardly had any presence—it bagged 40 of the 84 seats. The pattern was repeated in Ruhelkhand that has 30 per cent Muslims, the central districts, hill districts, and in Bundelkhand. But the dark lining for the party is the prospect of running a state which is torn apart along communal lines and is virtually bankrupt. It could prove to be Kalyan Singh's Waterloo. He cannot let up on the momentum of the Ram temple issue. Besides, the RSS-VHP leaders will push for building the temple. Further, the party will have to confront a Mulayam Singh who is thirsting for revenge. All the signs point to turbulent times ahead. —DILIP AWASTHI

TAMIL NADU

TOTAL: 234; Elections held: 232;

Cong(I): 61; AIADMK: 163; Others: 8.

Enter the Empress

SCRIPTED. Produced. Directed. And starring... Jayalalitha Jayaram. Or so it seemed, considering the film-type ending. For someone who had been dismissed as a political nonentity, disgraced and written off, it is a dream come true. The former actress and protege of the late MGR has stormed St Fort George with a mandate which no regional leader has ever won in the country before. By giving the DMK a drubbing which overshadowed even what MGR could do, she has more than inherited her mentor's mantle. She is now the new—and undisputed—Empress of Tamil Nadu.

That it is a personal victory for Jayalalitha is clear from her oft-repeated appeal to the electorate: "Look upon me as the candidate for each of the 234 seats." In fact, even before the tragic assassination of Rajiv Gandhi in Tamil Nadu, the political dice were clearly loaded in her favour. Much of her victory is owed to her personal charisma. The misdeeds of the Karunanidhi government and its open support to the LTTE were factors too.

Jayalalitha: awesome sweep

Her campaign strategy also worked. During her marathon 7,000-km tour of the state she mostly dwelt on one issue: that Karunanidhi is evil incarnate. She accused him of trying to liquidate her and of robbing the state with his corrupt practices. So confident was she that in the post-assassination period, she did not even bother to campaign.

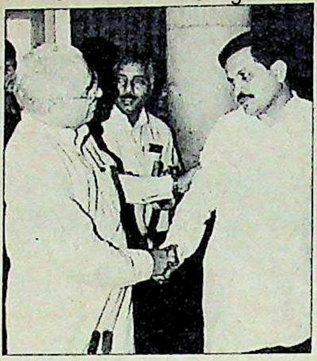
Taking responsibility for the rout, Karunanidhi resigned his assembly seat. However, to write off the DMK will be premature. Even DMK-baiter Cho Ramaswami said: "The party has its own vote bank, and Jayalalitha is eminently capable of making mistakes." But for the moment Jayalalitha is basking in new-won glory. —ANAND VISWANATHAN

HARYANA

TOTAL: 90; Elections held: 90; Cong(I): 51;

SJP: 16; HVP: 12; BJP: 2; Others: 9.

Ringing Rebuff



Bhajan Lal: no easy ride

FOUR years ago, the voter in Haryana jettisoned the politics of defection and corruption perpetuated by the Congress(I) to usher in the Janata Dal led by 'Tau' Devi Lal with a massive mandate. But the mandate was frittered away by nepotism and lawlessness, making the misdemeanours of Bhajan Lal look diminutive enough to vote the Congress(I) back to power.

In fact so brazen was the misrule that the Congress(I), which could manage only five seats in a House of 90 last time, notched up an impressive 51 seats. Bhajan Lal is back in the saddle, for which he clearly has the Tau to thank. The anger against his clan was evident from the patriarch's defeat in the Jat-dominated Ghirai Vidhan Sabha seat. The SJP rout was so complete that even state party president Om Prakash Chautala had to resign.

The Congress(I)'s clear majority was mainly due to a division of votes among the SJP, Bansi Lal's Haryana Vikas Party (HVP) and the Congress(I). The alliance between the HVP and the Janata Dal did not work and the backward and Scheduled Caste votes went the Congress(I) way. "What Bansi Lal could not do for the Congress(I) by remaining in it, he did by forming the HVP," said Rohtak MP Bhupinder Hooda.

Another reason for the Congress(I) victory was its fielding of new faces. Also, by keeping the issue of leadership open between Bhajan Lal and PCC(I) chief Birendra Singh, it garnered both the Jat and non-Jat votes. However, this advantage may prove to be its biggest handicap. The verbal war between the two Congress(I) camps has already begun.

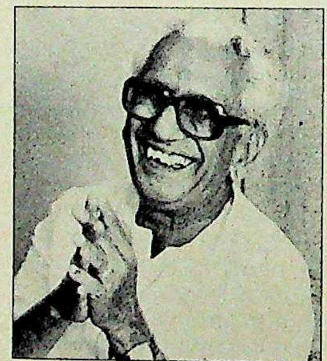
—KANWAR SANDHU

KERALA

TOTAL: 140; Elections held: 139;

Cong(I): 55; CPI(M): 29; CPI: 12; Others: 43.

Narrow Margins



Karunakaran: lucky streak

FOR the Congress(I)-led United Democratic Front (UDF) it was a surprise victory. And possibly undeserved. Two months before the polls the front and the Congress(I) were riven by factionalism. And the CPI(M)-led Left Democratic Front (LDF) was in the driver's seat having swept the district council elections in February.

Clearly, it wasn't an anti-establishment vote that humbled the LDF. What tilted the scales in the UDF's favour was a combination of the sympathy factor, the anti-Mandal polarisation and the BJP's strategic voting.

On its part, the Congress(I) exploited the sympathy factor to the hilt. The urns carrying the ashes of the slain Rajiv Gandhi were paraded in all the constituencies. Said P.K. Vasudevan Nair, CPI state secretary: "People reacted to the assassination of Rajiv Gandhi with their votes."

But now that Karunakaran has occupied the chief minister's chair, he has to get down to brass-tacks right away. He can use his clout with the Congress(I)-ruled Centre to secure a larger allocation for revitalising the state's economy, which has been sluggish.

Karunakaran's problems will emerge once the constituents of the UDF start demanding their pound of flesh and the A.K. Antony camp in the Congress(I) moves into positions of power. It would not be a surprise if this tenure of Karunakaran proves to be a ridiculous replay of his 1983-87 rule.

—RAMESH MENON

WEST BENGAL

TOTAL: 294; Elections held: 294;

Cong(I): 43; CPI(M): 188; CPI: 6; Others: 57.

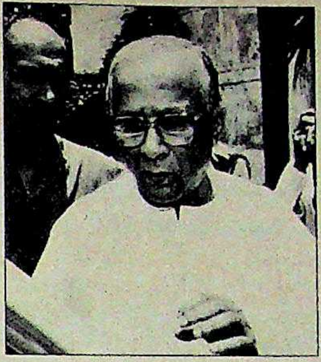
Shocks Absorbed

WEST Bengal does not change colours easily. After 14 years of communist rule, the red bastion emerged victorious yet again, with the CPI(M)-led Left Front sweeping the assembly polls. The Congress(I) came a poor second. The final tally was in fact a repeat of 1987. With one crucial exception—the BJP has for the first time made massive inroads in this otherwise highly-polarised state.

While it did not corner a single seat, the BJP stunned everyone by increasing its vote bank tenfold: from 1.71 to 10 per cent. Its surprise performance spelt doom for the Congress(I) whose vote share slumped from 41.81 per cent in 1987 to 35 per cent. "The BJP played havoc with our calculations," admitted Saugoto Roy, PCC(I) general secretary. The Marxists' citadel too was shaken, with its vote share slipping from 52.95 to about 46 per cent. "They have eaten into our votes," said Biman Bose, an influential member of the CPI(M) state secretariat.

In real terms, the BJP proved to be a deciding factor in scores of assembly seats. Almost in half such seats, the Congress(I) lost to the CPI(M) because of the BJP swinging away a sizeable section of votes. In the rest, the Left lost for similar reasons. The outcome in Kaliachak is a case in point: the Congress(I) lost by just about 1,000 votes, the BJP having accounted for 20,875 votes. That was the story in scores of other seats.

But much of the blame rests with the Congress(I) itself. Cosmetic changes, such as the induction of S.S. Ray in place of A.B.A. Ghani Khan Choudhury as the PCC(I) chief, did not pay off. Ray's personal charisma proved no match for Jyoti Basu. In an orchestrated campaign against him, the Marxists revived old memories of the "lawlessness and terror" unleashed during Ray's stint as chief minister in the '70s.


Basu: four in a row

The Congress(I)'s dismal performance can also be attributed to its inner weaknesses. In several seats, rank outsiders were foisted as the party's official nominee. Discontent among the cadres broke out.

In contrast, the Left Front's fabled organisational strength stood it in good stead. There were some reverses—as many as four ministers lost and there was a disconcerting decline in its vote bank. Clearly, despite a few hiccups, the Front combine is poised for another eventful term.

—RUBEN BANERJEE

ASSAM

TOTAL: 126; Elections held: 125;

Cong(I): 65; AGP: 19; BJP: 10; Others: 31.

Tired of Terror

SIX years ago the people of Assam had given the thumbs down to the Congress(I), turning to the AGP as their new regional saviour. Last fortnight, former Congress(I) chief minister Hiteswar Saikia was voted back to power to crush, as he says, a disparate separatist movement running out of control. But party colleagues admit in private that the mandate has exceeded their expectations. And they have the AGP's ineptness to thank for it.

For the AGP the fall has been steep. In 1985 it won 65 seats, though it lacked experience and a cohesive political philosophy. Five years on, even youth was no longer on its side. Internecine struggles abounded as did corruption charges and ethnic demands. The ULFA was playing the AASU game, but with deadlier intent, killing enemies of "independent Assam", taxing traders—in short, capitalising on confusion.

And when the Centre intervened by dismissing the government and launching an army dragnet to nail the ULFA, the AGP itself fell apart. To make matters worse, the AGP now led by the former chief minister P.K. Mahanta, as well as its breakaway group, the Natun Asom Gana Parishad (NAGP), headed by former home minister Bhrigu Phukan, went to the polls with separatist demands. To befuddle the already harried voter, at least 15 other regional parties mushroomed, quoting similar demands.

Saikia: second shot

In comparison, the Congress (I)'s promises seemed sane. A judicious mixture of national and local issues. And most importantly, stability. But Saikia's return means trouble for the ULFA and AASU. He has scores to settle with the ULFA which gunned down his brother Rohit Saikia and nephew Pradip.

Yet, a negotiated settlement with the outlawed organisation tops his agenda. It won't be easy. The militant party has used the extended cease-fire to regroup. The vanquished regional parties are not going to lie low either. Add to that an angry AASU. Clearly Saikia will have his work cut out if he plans a prolonged stay in Dispur's Janata Bhawan.

—FARZAND AHMED

PONDICHERRY

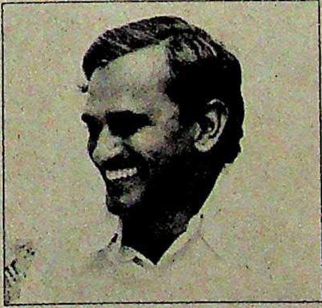
TOTAL: 30; Elections held: 30; Cong(I): 15;

AIADMK: 6; DMK: 4; Others: 5.

Foregone Finale

AS anticipated, the ripples from Tamil Nadu were felt in the Union Territory. The Congress(I)-AIADMK front notched up 21 of the 30 assembly seats. The DMK won just four of the 18 seats it contested. Worse, all the party's ministers including former chief minister D. Ramachandran were trounced.

Ramachandran blames the rout on the sympathy wave. Said he: "The assassination of Rajiv and the postponement of polls have definitely influenced the outcome." But the defeat of the powerful PCC(I) chief Shanmugam has thrown the Congress(I) into a tizzy. Shanmugam was the chief minister-apparent. But with his exit from the scene the PCC(I) was caught in a fierce succession struggle. The eventual winner was former minister V. Vaithyalingam but the battle is by no means over.


Vaithyalingam: final victor

While, to some extent, the Congress(I)'s victory is a result of the sympathy wave and the much-trumpeted Jayalalitha charisma, the vote is also a rejection of the DMK-Janata Dal coalition's power-mongering—a lesson the Congress(I) would do well to remember.

—KAVITHA SHETTY

PUNJAB

FLOUNDERING MOVE

The Election Commission's decision to postpone the poll may prove to be a severe blow to the revival of the democratic process in the trouble-torn state.

ON June 20 Punjab went to sleep with a relieved mind. The campaigning for the Lok Sabha and Vidhan Sabha polls, the bloodiest ever, had finally ended and in 36 hours polling was about to begin.

But the biggest shock was yet to come. Next morning when AIR and Doordarshan blared the news of poll postponement, the people of Punjab were still reading the Punjab chief electoral officer's appeal front-paged in local newspapers: "Our Constitution has granted the right to vote to every citizen. Exercise your right...." The voting right in this case was snatched away not by the militants but by a constitutional instrument, the Election Commission.

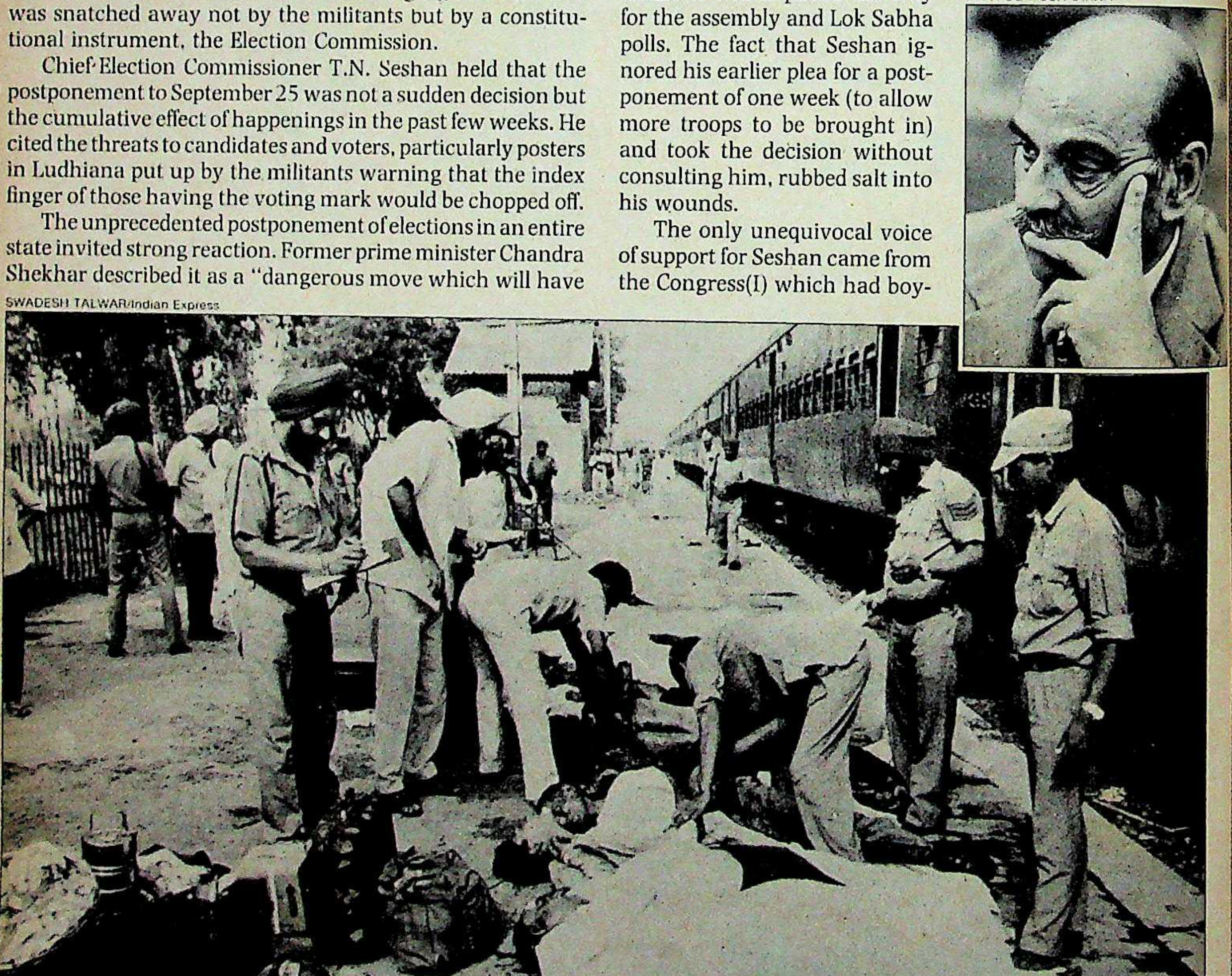
Chief Election Commissioner T.N. Seshan held that the postponement to September 25 was not a sudden decision but the cumulative effect of happenings in the past few weeks. He cited the threats to candidates and voters, particularly posters in Ludhiana put up by the militants warning that the index finger of those having the voting mark would be chopped off.

The unprecedented postponement of elections in an entire state invited strong reaction. Former prime minister Chandra Shekhar described it as a "dangerous move which will have far-reaching consequences". Punjab newspapers agreed. "A grievous default", "A cruel joke", "A betrayal of trust", they screamed. The Akali Dal (Mann) called it a "fascist move". Punjab governor O.P. Malhotra resigned in protest.

Chandra Shekhar's decision to hold the elections had thrown the militants into disarray. Now it is feared that the interregnum will give them a chance to sink their differences.

For Malhotra, the postponement undid the effect of some of his toughest decisions as governor. Such as holding municipal elections which paved the way for the assembly and Lok Sabha polls. The fact that Seshan ignored his earlier plea for a postponement of one week (to allow more troops to be brought in) and took the decision without consulting him, rubbed salt into his wounds.

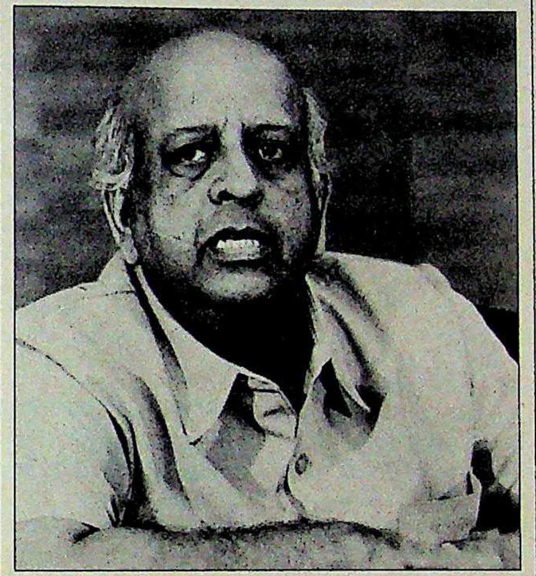
The only unequivocal voice of support for Seshan came from the Congress(I) which had boy-



PRAMOD PUSHKARNA

SWADESH TALWAR/Indian Express

Victims of the train massacre; and (inset) General Malhotra: a step backwards cotted the polls. "I am happy," said P.V. Narasimha Rao, after being sworn in as prime minister. He argued that a fair poll would not have been possible under the circumstances. The CPI and the CPI(M) too supported the move. Said CPI(M) leader Harkishen Singh Surjeet: "We welcome it but if the decision had come earlier, many lives would have been saved."


SHARAD SAXENA

The timing of the postponement was jarring indeed. On June 19—a day before the decision to postpone the poll was taken—Seshan had categorically stated that there would be no change in the election schedule. The following evening, Malhotra went on TV to exhort people to vote freely and fearlessly. True, during the six weeks of campaigning as many as 24 candidates had been killed. Then the attempt on the life of former Union minister of state for home Subodh Kant Sahay and the gunning down of 74 hapless rail passengers were among the worst attacks in the anti-poll onslaught.

But equally, there had been no major incident of violence for at least three days prior to the postponement. And the state was saturated with 1.25 lakh security personnel besides army columns staging flag marches.

In fact, Seshan's insistence that the decision was entirely his flies in the face of the facts on the ground. The observers sent to the state by the Election Commission had submitted their reports much before the announcement which came after Narasimha Rao had been appointed leader of the Congress(I) Parliamentary Party. The BJP and the Akali Dal (Badal) alleged that the idea was to facilitate the entry of the Congress(I) into the poll process. State BJP chief Madan Mohan Mittal called the decision a "murder of democracy".

Seshan's decision is believed to have been taken in a hurry so that the Congress(I) Government could claim that they had no hand in it.

The harshest criticism came from the BJP which was widely tipped to make major electoral advances in Punjab if the elections had been held. Although it won only six seats in the 1985 Vidhan Sabha polls, growing support from Hindu voters in urban areas across the state had made it confident of doing well in at least 35 seats.

EVEN in the 1989 Lok Sabha election, when militants made a near clean sweep, the BJP and the Congress(I) together secured about 31 per cent of the vote. This time round the BJP was hoping to win this kind of percentage on its own, given the Congress(I)'s boycott. Unsurprisingly, the party leadership pulled no punches in charging that Seshan's decision had been taken at the behest of the new Government. The Akali Dal (Badal) leader, Prakash Singh Badal, claimed that the President, Narasimha Rao and Seshan had all conspired to promote the Congress(I)'s interests. As they were all men from the south, Akali Dal (Mann) President S.S. Mann said, they had misread the Punjabi peoples' sentiments towards polls.

Rumours that Seshan was trying to rebuild bridges with the new rulers, hence his alacrity in playing the Congress tune, quickly made the rounds. Further, the decision was taken without consulting Malhotra, clearly implying that the move was planned as a *fait accompli*.

The BJP charged that the Election Commission "did the ruling party's bidding at midnight to put off the Punjab poll, even before the Congress(I) formally assumed office". Stating that it is a "bad day for the Election Commission and not a good start for the new Government," the party's national executive concluded that postponement would only mean prolonging the agony of Punjab.

The political grapevine in Delhi seems to confirm that Seshan was in touch with senior Congress(I) leaders, including Narasimha Rao, in the two hectic days leading up to June 20. By June 19, it was becoming obvious that the Congress(I) would be back in power. Though hard evidence is unavailable, it is widely believed that Seshan's midnight decision was taken so that the Congress (I) could claim that they had no hand in it—the new Government was sworn in 12 hours later. Seshan himself has admitted that he failed to mention his decision to the President, whom he met just three hours earlier.

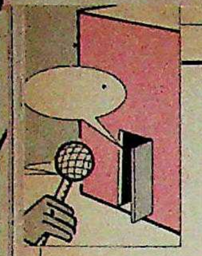
However, now that the postponement has been announced, the implications are disturbing. Already, the Government has spent crores of rupees on moving security personnel to Punjab, apart from the campaign expenses of about 1,600 candidates. But the biggest blow was that spelled out by the Chandigarh-based *The Tribune*: "It will be seen as an act of betrayal, one more in a chain of such acts."

The AISSF (Manjit) and sundry factions of the Akali Dal, who had come under attack for jumping into the poll fray, will now become more vulnerable. It was precisely these factions which were the hardest-hit in the assaults by militants: most of those killed were their candidates. They would also have borne the brunt of the "bandh" called by militants for election day. Such a bandh (or "curfew" as the militants termed it) would have had the greatest impact in rural areas from where the various groups draw most of their support.

As for the militants who endorsed participation, they may shy away and those Sikh political groups which refrained from using the word 'Khalistan' in their manifestos will harden their positions. The postponement will vindicate the anti-poll stand of Babbar Akali Dal and other radical groups.

Moreover, there is no guarantee that things will improve by September. "Peace before poll", an almost impossible demand, has been the bane of Punjab since the imposition of President's Rule in May, 1987. And this eleventh-hour postponement could turn out to be yet another giant—and dangerous—step backward. If that does happen, the controversial Seshan will have to take the blame.

—KANWAR SANDHU



EXIT POLL

HOW INDIA VOTED

The reams of official data about the tenth Lok Sabha election did not provide an insight into many aspects of voting behaviour. For example, it did not answer questions on how various sections of the electorate voted. Only a comprehensive exit poll can bring alive the story behind the results. INDIA TODAY provides an exclusive insight into the trends in the 1991 poll.

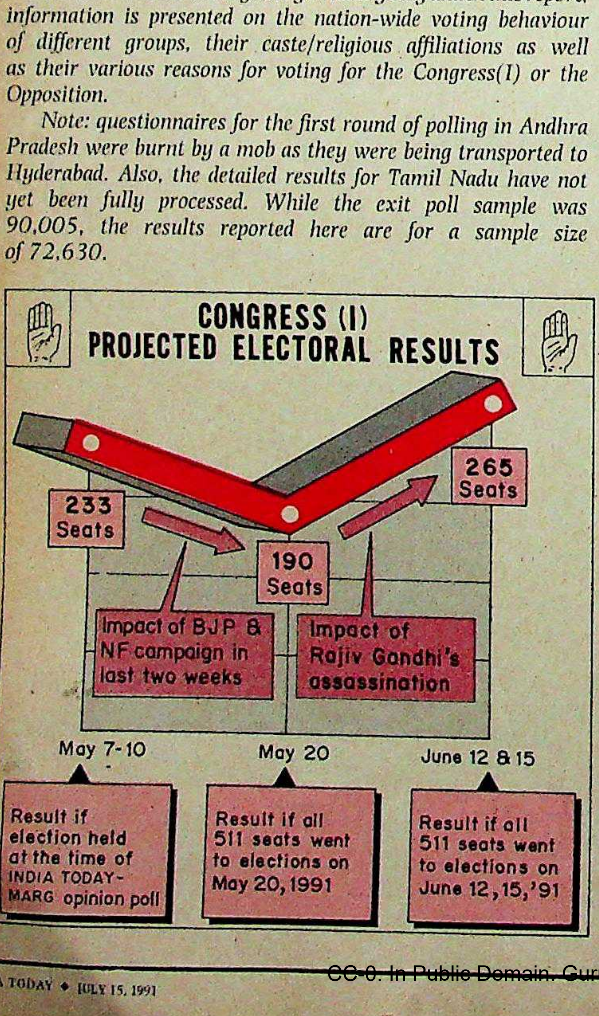
MARKETING and Research Group (MARG) was commissioned by INDIA TODAY to conduct a nation-wide exit poll during the Lok Sabha elections. The poll was carried out on May 20 (sample size 48,299), June 12 (25,140) and June 15 (16,566) in 72 constituencies spread all across the country. These constituencies were selected by well-known psephologist, Prannoy Roy.

With a country-wide sample of 90,005, this exit poll is perhaps the largest of its kind to have ever been conducted anywhere in the world. In each of the constituencies, MARG employed three supervisors and six interviewers who were divided into three teams.

These teams traversed the sample constituencies, interviewing voters as they emerged from the polling booths after exercising their franchise. The interviewers recorded extensive information regarding the voters' age, sex, caste/religion and the party they had voted for.

The data was then analysed by Prannoy Roy and in this report, information is presented on the nation-wide voting behaviour of different groups, their caste/religious affiliations as well as their various reasons for voting for the Congress(I) or the Opposition.

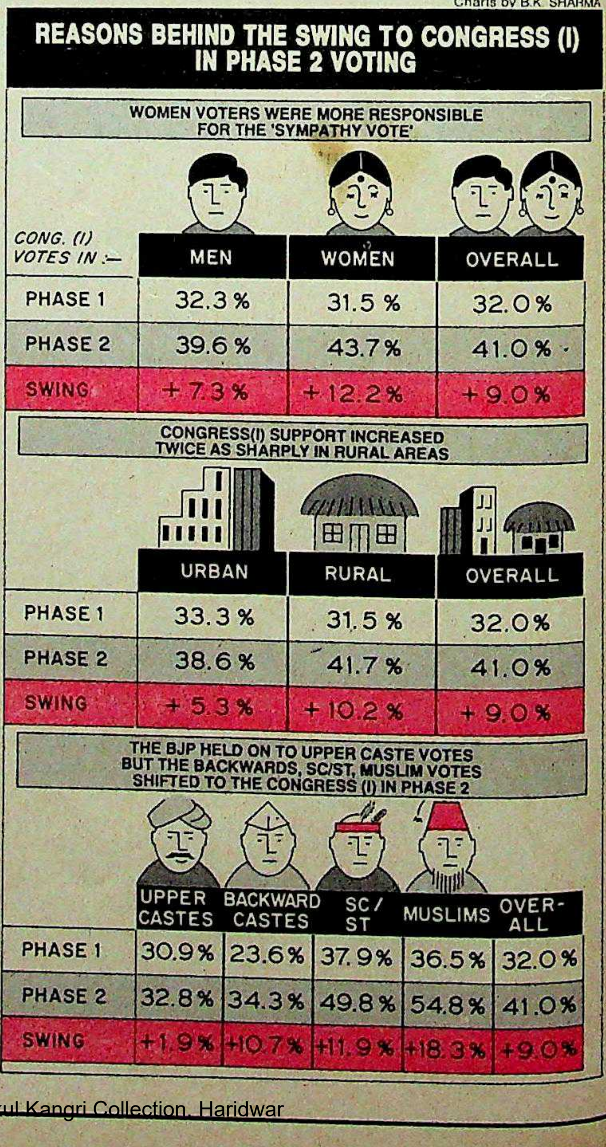
Note: questionnaires for the first round of polling in Andhra Pradesh were burnt by a mob as they were being transported to Hyderabad. Also, the detailed results for Tamil Nadu have not yet been fully processed. While the exit poll sample was 90,005, the results reported here are for a sample size of 72,630.



WHILE the voting was taking place on May 20 (Phase 1), INDIA TODAY commissioned MARG to also carry out an opinion poll in states that were going to the polls only later. The result of this exercise showed that in the last two weeks of campaigning, the Congress(I) had lost ground to the BJP and National Front. In fact, if all the constituencies had voted on May 20, the INDIA TODAY-MARG exit-cum-opinion poll showed that the Congress(I) would have succeeded in securing only 190 seats, down 43 seats in just the last two weeks of the campaign.

The INDIA TODAY-MARG exit poll as well as the final results show that the assassination of Rajiv Gandhi resulted in a

Charts by B.K. SHARMA



REASONS BEHIND THE SWING TO CONGRESS (I) IN PHASE 2 VOTING

WOMEN VOTERS WERE MORE RESPONSIBLE FOR THE 'SYMPATHY VOTE'

CONG. (I) VOTES IN :—	MEN	WOMEN	OVERALL
PHASE 1	32.3%	31.5%	32.0%
PHASE 2	39.6%	43.7%	41.0%
SWING	+7.3%	+12.2%	+9.0%

CONGRESS(I) SUPPORT INCREASED TWICE AS SHARPLY IN RURAL AREAS

	URBAN	RURAL	OVERALL
PHASE 1	33.3%	31.5%	32.0%
PHASE 2	38.6%	41.7%	41.0%
SWING	+5.3%	+10.2%	+9.0%

THE BJP HELD ON TO UPPER CASTE VOTES BUT THE BACKWARDS, SC/ST, MUSLIM VOTES SHIFTED TO THE CONGRESS (I) IN PHASE 2

	UPPER CASTES	BACKWARD CASTES	SC/ST	MUSLIMS	OVER-ALL
PHASE 1	30.9%	23.6%	37.9%	36.5%	32.0%
PHASE 2	32.8%	34.3%	49.8%	54.8%	41.0%
SWING	+1.9%	+10.7%	+11.9%	+18.3%	+9.0%

Younger voters supported the BJP while comparatively older voters favoured the Congress(I). No significant age anomaly in Janata Dal's vote base.

PARTIES	NEW VOTERS 18-21	YOUNG VOTERS 21-30	MIDDLE AGE 31-50	OLD AGE 51+
CONG	32.2	35.8	38.0	40.1
BJP	27.3	22.4	17.7	16.3
JD	11.1	10.7	11.8	9.3

*All figures are in percentages.

More women voted for Congress(I) than men but the reverse was the case for BJP.

PARTIES	MEN	WOMEN
CONG	36.6	37.9
BJP	20.9	18.3
JD	12.1	9.0
LF	9.7	10.7

*All figures are in percentages.

distinct swing in favour of the Congress(I). It is also possible to estimate the total number of seats that the Congress(I) would have won if the entire election had taken place after the assassination by using the post-assassination swings to the Phase 1 constituencies. This shows that the Congress(I) would have roughly won about 265 seats in a post-assassination election (*see chart 1*).

In fact, the final result of 225 seats for the Congress(I) was a combination of two distinct elections—pre-assassination: 190 seats, and post-assassination: 265 seats.

THERE are many reasons behind the swing towards the Congress(I) in Phase 2, as has been explained in the earlier article on the general elections, "What the Results Mean". A more detailed analysis shows that the increase in turnout and 'sympathy vote' was to a large extent caused by women voters (*see table 1*). Women support for the Congress(I) increased by 12.2 per cent between Phase 1 and Phase 2.

Another significant fact is that the swing to the Congress(I) was twice as high in the rural areas than in the urban areas. Also, the Muslim community seemed to have been the most affected by the assassination of Rajiv Gandhi, showing a swing of more than 18 per cent to the Congress(I) in Phase 2 of the polling. The BJP vote was less affected than the Janata Dal vote because the upper caste voter as well as urban voters—primary BJP bases—showed a much smaller swing to the Congress(I) in Phase 2.

THE NATIONAL PICTURE

The BJP vote base among different age groups is strikingly different from the Congress(I). Younger voters supported the BJP while older voters supported the Congress(I) (*see table 2*). The BJP also emerged as a male- and urban-dominated party. Despite getting only half the vote percentage of the Congress(I), the BJP was able to win more upper caste votes than the Congress(I).

The BJP also won considerable support among the backward castes but it did very poorly with Scheduled Caste/Scheduled Tribe voters. The Janata Dal scored well above its average among the backward castes but the Scheduled Caste/Scheduled Tribe voters veered away from the National Front.

The Congress(I) had its most impressive support base among the Scheduled Caste/Scheduled Tribe voters who remained solidly ranged behind the Congress(I) in almost every state.

The national Muslim vote was divided almost equally between the Congress(I) and the National Front-Left Front combine. This nation-wide split is, however, quite deceptive. The Muslim community, it is clear, resorted to a kind of 'tactical' voting at the state level. In most states across the country, the Muslims voted against the BJP and in favour of either the Congress(I) or the Janata Dal, in other words whichever party they thought was in the strongest position to defeat the BJP.

BJP's vote base was mostly urban and Janata Dal's rural while Congress(I)'s was evenly spread out. Sympathy factor helped Congress(I) more in rural areas than urban.

PARTIES	URBAN	RURAL
CONG	36.1	37.3
BJP	27.7	17.5
JD	9.8	11.3

*All figures are in percentages.

Note: Phase 1: voting on May 20; Phase 2: June voting.

While the SCs and STs stood by Congress(I) and backward castes with Janata Dal, Muslim votes got divided between the two. BJP scored with upper castes.

PARTIES	UPPER CASTE	BACK-WARD	SC/ST	MUSLIM
CONG	32.2	30.6	44.1	46.3
BJP	36.4	20.8	11.4	—
JD	5.7	15.9	9.8	24.9
LF	8.6	9.7	9.5	16.7

*All figures are in percentages.

ECONOMY

NEED FOR A CURE

With the fiscal machinery going nowhere, the new Government's priority is to stabilise the economy—the immediate needs being the budget and the IMF loan.

SO it goes. For six months, the economy deteriorates steadily. The trade balance is increasingly skewed towards imports, government spending towards profligacy, foreign exchange reserves touch rock-bottom and inflation the sky. The situation is so bad that the Government finally approaches the International Monetary Fund (IMF) and picks up a $1.8 billion (Rs 3,275 crore) loan in January to pay for oil imports and repay debt. Meanwhile, the Gulf War breaks out and the oil bill keeps rising.

Two months later, the SJP government skips presentation of the Union budget, under pressure from the Congress(I) on whose support it depended. Instead it prefers to settle for an ad hoc vote-on-account designed to keep the fiscal machinery going till end-July. And Finance Ministry mandarins hope that a new government will take charge, take quick decisions and rapidly put the economy on the road to recovery. They also hope that the new Government will immediately address two crucial and pressing needs of the Indian economy: present the budget, and go to the Washington-based lending agency, IMF, for another, larger bail-out, as the balance of payments (BOP) position has worsened considerably ever since the last loan. "The time for playing games," says a senior Finance Ministry official, "is over."

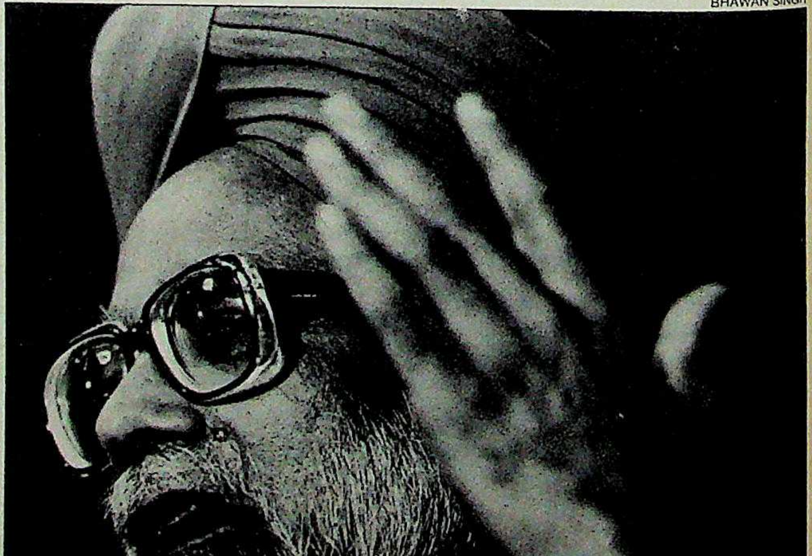
The fact is, the fiscal machinery is going nowhere. P.V. Narasimha Rao's Government has barely taken charge. And it is already confronted with a host of problems. There is still a lobby within the Finance Ministry which strongly favours another vote-on-account to last the remainder of the 1991-92 financial year. And finally, though the Government has been repeatedly harping on how it will ask the IMF for as much as $4 billion more in loans, the agency itself is yet to make a firm commitment on any amount. On the other hand, the IMF has been insisting on India adopting its four-D principle of conditionality—deflate, devalue, denationalise and deregulate—before final talks on a loan actually get going.

That was the bad news. The good news is that the brand-new Congress(I) Government was talking about mending India's economy even before it made the grade. And though the champion of liberalisation, Rajiv Gandhi, isn't there any longer to lead the show, there are enough people within the party who realise that the most important challenge facing the new Government is to stabilise the sluggish economy and restore it to the halcyon days of the Rajiv regime's first couple of years.

Prime Minister Narasimha Rao has categorically said that the economy is his government's first priority. And Dr Manmohan Singh, his solid, no-nonsense finance minister—who, among other appointments, has held positions as Reserve Bank of India, governor and economic adviser to former prime minister Chandra Shekhar—has said often that India needs an economic fix, and soon. This feeling is liberally echoed by other senior Finance Ministry bureaucrats. Says Bimal Jalan, chairman of the Economic Advisory Council in the Planning Commission, a former finance secretary and a contender for the post this time around: "If we don't take swift action, and by swift I mean in the next four weeks, the country will have to pay a very heavy price." He goes on to add: "There

Instead of hoodwinking the IMF with cosmetic changes, the economy needs restructuring. But Manmohan Singh may find it hard to administer the bitter medicine.

BHAWAN SINGH



are no soft options left."

It is precisely when hard decisions have to be taken that the problems are expected to crop up. In fact, they already have. While it is accepted that the budget and the IMF loan are the new Government's immediate needs, the way to go about getting these organised is still rather uncertain, and dangerously so. As things stand, the two are inextricably tied. If the Government doesn't spell in the budget—expected in end-July—how it is going to raise revenue, cut back on expenditure and make policy statements about liberalising the economy by removing controls, reducing the role of the public sector, privatise it, cut subsidies, and so on, the IMF is unlikely to move a muscle over another loan.

THE ECONOMIC IMPERATIVES

Make immediate policy statements about straightening out the economy. These could be about a number of things:

1 **Letting the private sector into more areas, identifying public sector units for partial or total sale to private investors.**

2 **Present the Union budget as soon as possible, definitely by end-July.**

3 **Earmark areas for government expenditure cuts as expeditiously as identifying areas for raising revenue.**

4 **In general adopt a policy—even if it hurts—on the lines the IMF wants: deflate the economy, devalue the rupee further, denationalise the public sector and deregulate industry.**

BUT this is exactly the kind of policy reformulation that politicians, bureaucrats and even corporate executives—however strongly they may wish for a liberal budget—are not able to accept. "For once, we don't have to think about the budget," says R. Seshasayee, executive director (finance), Ashok Leyland. "The IMF will have to do that for us."

There are two ways of dealing with the situation. One is to hoodwink the IMF with cosmetic reforms in policy statements and the budget for a quick loan, keeping solid reforms as a long-term project. And the second to, take the country into confidence about exactly how bad the economic mess is, and suggest harsh measures—the most radical way of doing this, of course, is by first imposing a financial emergency on the country—and to hell with vote-bank considerations.

The first option is infinitely easier. Besides, the hoodwinking has already begun. The RBI has imposed curbs on imports and made bank finance more difficult to come by for companies, but these measures are essentially to ensure that the Government has more money in hand to spend, rather than letting industry have it. These curbs are expected to continue, and all that the Government has to do in order to convince the IMF is to add on some tricks in the budget. For starters, kick off revenue gathering measures: a suggestion doing the rounds in the Finance Ministry is raising the price of petrol and diesel by another 25 per cent, which can fetch Rs 3,000 crore in extra cash a year. There is bound to be a hue and cry if this happens. Vehicle-users will scream blue murder and industry will talk of increased cost of production. But after a while, things will return to normal exactly as it happened last year: people will go on using vehicles and industry will pass on added costs to its consumers.

Also, make about Rs 10,000 crore of adjustments within the framework of the budget. For example, take airports, schools and housing meant for the defence sector and simply place them under the civilian airports authority, the Education Ministry, and the Urban Development Ministry. Or, cut back some fertiliser subsidy from the present Rs 5,000 crore level and instead, provide relief through increased seed subsidies to farmers, among other measures. Such measures will make it seem like the Government is reducing its pampering of certain segments in favour of more crucial ones. But in fact all the Government is actually doing is juggling figures on paper without cutting a single paisa of its expenditure. "After all," says a senior bureaucrat, "the budgets have been talking about cutting government expenditure since 1983 and easing the BOP problem since 1985. But nothing constructive has happened so far." But the quick-fix nature of this option is dangerous. The IMF may be fooled for the loan, but other lending agencies such as the World Bank, strong lenders such as Japan and Germany and private consortiums will be waiting and watching the post-IMF loan scenario to see if intentions are translated into action. If not, credit automatically dries up.

The cure is difficult, anyway. India's political economy as a rule does not allow for radical changes, however urgent the requirement may be. Nobody is expecting the economy to open up tomorrow, there is no talk of massive direct foreign investment, nobody is expecting government expenditure to be cut wholesale, and nobody is even thinking about a free-market economy come July.

Apart from all of this, there is the immediate political question to be dealt with. On the face of it, political parties have said that they will support the newly-formed Congress(I) Government on certain key issues—including the economy. However, such promises can in no way be taken for granted. For any major change in policy will most definitely invite the ire of ideological opposites like the Left parties, the Janata Dal and even the BJP, which has more than its share of socialists. What this basically means is that the whole liberalisation package will kick off modestly—and the speed will be equally modest. "Here, liberalisation is like the process of evolution," says I.Z. Bhatty, honorary director-general, National Council of Applied Economic Research. "This is an extremely hard policy to implement."

It is, and there is no question about that. However, the longer the Government takes to get going—for real—the longer the country will have to suffer. Cutting through the jargon, what in fact a delay will mean, ultimately, is that real incomes will drop, which will subsequently lead to a fall in consumption, and going the full circle, it will hit industry and in turn, lead to a fall in employment. Says Jalan: "The price to be paid by the economy is disproportionate to the loss of time."

If only the Government keeps this in mind when doing up the budget, and while going with its begging bowl to the IMF, or any other lender.

—SUDEEP CHAKRAVARTI

DEVI LAL

TAU'S TWILIGHT

Vanquished in his own fief, his party completely decimated, his political dynasty in a shambles, the patriarch recedes into political shadows.

THE glory has faded and the crowds have thinned. The minions have left his court and the jester sits alone, amidst a semi-circular row of empty chairs. The cows moo in the background and the aging figure in white takes off his spectacles, puts down the newspaper and spreads his massive frame across his favourite charpoy.

The kingmaker of 1989, Devi Lal, has little else to do. The air-conditioned Vijay Rath that rode him to victory only 17 months ago when he soared to dizzy political heights, now lies abandoned in the courtyard, a symbolic sign of the times. It was only yesterday when VIP cars drove in and out of here at frantic speed. When the sprawling lawns were full of loyalists, political workers, farmers and media-persons. When great men flocked there to woo the Tau. Where Chandra Shekhar came seeking support, V.P. Singh sent emissary after emissary. Bommai came pleading. And journalists waited hours, for that one controversial comment. Hectic, tension-filled phases, which kept the two former prime ministers—V.P. Singh and Chandra Shekhar—forever on their toes. When the two former prime ministers said: "*Devi Lal ko gussa nahi aana chaheye.*" When high-level meetings were held, not in the prime minister's residence but in Haryana Bhavan.

The kingmaker of 1989, who had reached dizzy political heights, is now left an isolated man, rejected by his own people.

Now, in the twilight of his political life, he rests under the shade of a tree, rejected by the people of his own state. "*Kuchh kamiyan reh gayee hongi. Logon se ja kar poochhunga.*" (There must have been some shortcomings. I will ask the people.) The autocratic czar of Haryana, who straddled the state like a political colossus only four years ago, has been voted out with a vengeance. The same Devi Lal, whose inventive loan-waiver and old age pension schemes made him popular far beyond Haryana's backwaters to win him the Sikar seat in Rajasthan in the last general election has now been defeated, not only from the Rohtak parliamentary constituency but also from the Ghirai assembly seat, considered to be the safest.

The seats had been chosen with great care—both Rohtak and Ghirai are Jat-dominated areas and Devi Lal has always prided himself over being a great Jat leader. Not only did he have to bite dust, but also he was humbled by Congress(I)'s Jat nominees, leaving the former deputy prime minister not even an ordinary legislator. This is the same Devi Lal who had addressed a gathering of lakhs even after he was dismissed by V.P. Singh. The same man whose impressive show of strength in the capital's Boat Club lawns led to V.P. Singh's pledge to implement the Mandal Commission report.

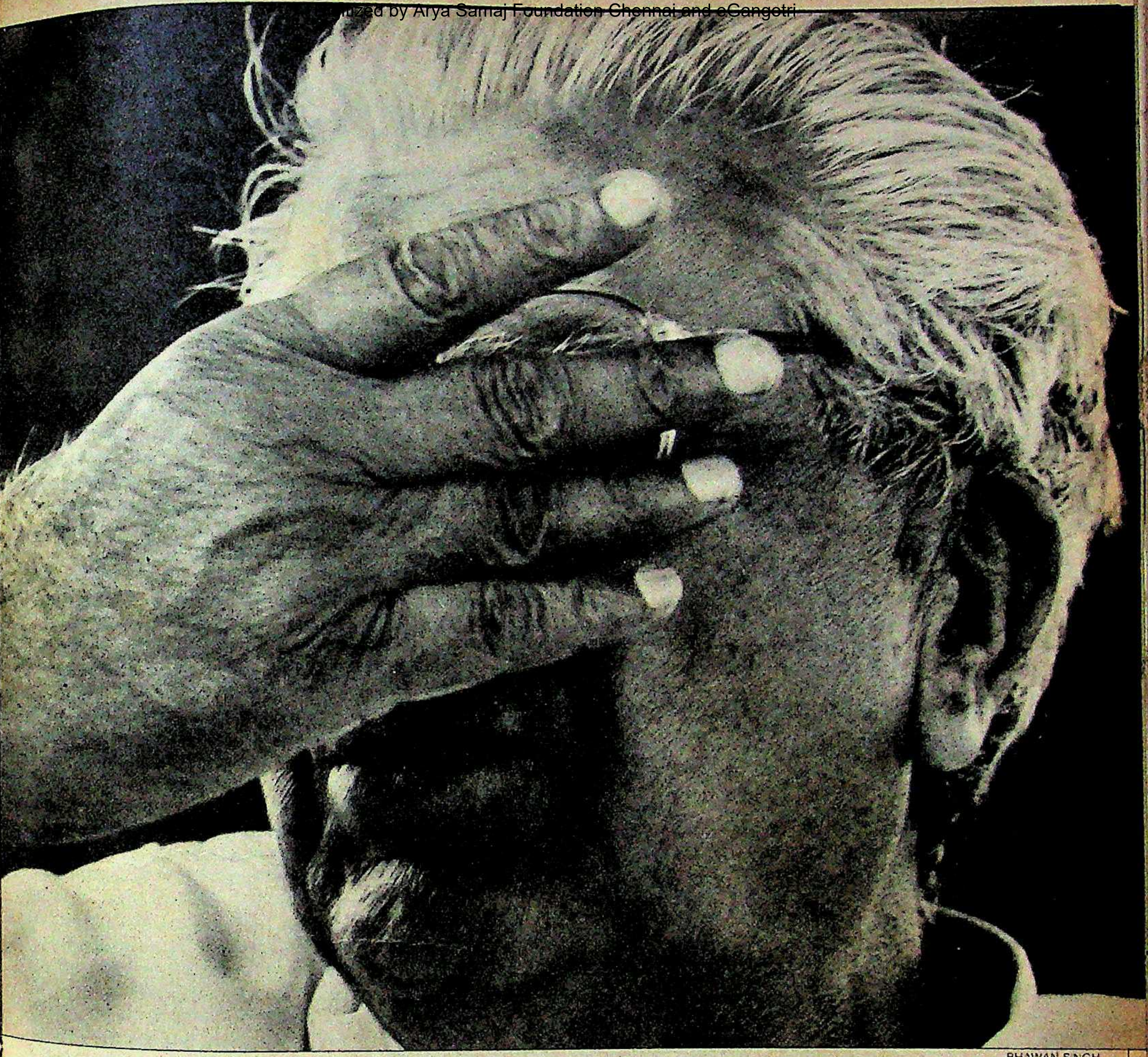
Blinded by memories of Haryana flooding the capital each time he chose to flex his rural muscle, an over-confident Devi Lal left Ghirai in the hands of grandson Ajay Singh, the elder son of Om Prakash Chautala. This, perhaps, was his mistake. For an anti-Chautala wave was practically sweeping the state, hitting them even in their home district, Sirsa, where the Congress(I)'s Shailaja Kumari, 28, romped home with ease. It was only when campaigning was drawing to a close that Devi Lal undertook a whirlwind tour of Ghirai in his air-conditioned Mercedes. But the people had already made up their mind. And the impression had gained ground that Devi Lal would eventually abdicate the seat in favour of Chautala.

The last thing the people wanted was the return of Chautala—Devi Lal's blind spot—who even among the ordinary people had earned the reputation of being corrupt. Of someone who promoted nepotism and broke all rules to benefit family and friends. Chautala's reputation rubbed off on Devi Lal, who came to be seen as one who'd go all-out to protect his son. Devi Lal's move to make both sons—Chautala and Ranjit Singh—withdraw their candidature fooled no one.

The humbling of the Tau clearly shows that the people wanted to teach Devi Lal and his family a lesson. The man who had at one time caught people's imagination with his "one note, one vote" slogan, whom people weighed in coins meeting after meeting, this time lost Rohtak by a margin of 30,573 votes and Ghirai by 2,100. The ultimate humiliation for a man who had in November 1989 won Rohtak by a huge margin of 1.88 lakh votes. Says a chastened Devi Lal: "In a democracy, you have to accept the verdict of the people."

The stalwart who once played a vital role in cementing the Opposition parties that ultimately became the Janata Dal, Devi Lal brought the unsavoury political culture of Haryana to the national stage. This among othert things proved his undoing. For even while he occupied the deputy prime minister's chair, he behaved much in the manner of a sarpanch in charge of a village panchayat—with an autocratic and arbitrary elan. Yet there was something refreshing about the rural, son-of-the-soil image he carried, and it brought a greater sense of the Indian reality to Delhi's rarefied circles. But in the end the Tau knew what he wanted to do—right the imbalance between the rural and the urban in government perceptions—but he remained clueless about how to do it. He embarked on superfluous schemes: a village post office (VPO) address assumed great importance; a cry rose for the dhoti-kurta clads to be appointed ambassadors; and then for ITDC hotels to open enclaves for rural folk. Instead of bridging the rural-urban divide, he ended up widening it.

The man who almost became prime minister, in that historic moment in Rashtrapati Bhavan's Ashoka Hall on December 2, 1989—when he proposed V.P. Singh's name



BHAWAN SINGH

after being nominated the leader himself—is today one of the most reviled politicians. Yesterday's kingmaker, the Tau is now even devoid of a house and, even though not entitled, has asked the Housing Ministry for accommodation.

THE Chaudhary now spends time reading the newspapers and with his cows. "I have five cows and two buffaloes here and 28 cows and eight buffaloes in Teja Khera." The cattle, for whom a special shed was constructed, are now being sent back to Teja Khera. The rabbits, whose flock grew from four to 32 in the last 17 months, have already been sent to Avika Nagar, a rabbit-breeding farm in Rajasthan. The Tau now fondly talks of the rural amenities that he had introduced in 1, Willingdon Crescent—he has little else to talk of—the solar water heater system, a green room, a drip and irrigation system, a seeds counter and a *shauchalya*. The Tau, keen that a farmer take the house, has written to Balram Jakhar suggesting that he try and get the house allotted to him.

The self-styled leader of the ruralites, Devi Lal has been rejected by those whose cause he was espousing—the officials in the Ministry of Agriculture and Tourism too are heaving a sigh of relief. Given to flights of fancy, Devi Lal came up with the most absurd of schemes which left the bureaucrats in a tizzy. Impressed by the 12 horsepower Chinese tractors, during his trip to China, Devi Lal wanted that they be purchased on a subsidy. The plan, needless to say, was shelved for the Finance Ministry refused permission. Then again, he wanted to promote the drip irrigation system and just as the cost was being worked out—a whopping Rs 165 crore per one lakh hectares of land—the government was on its way out.

Hated by most politicians, bureaucrats and finally the people, Devi Lal is left a lonely man. Even at the swearing-in ceremony for P.V. Narasimha Rao and his cabinet, Devi Lal got a royal snub from V.P. Singh who just turned his face when the Tau tried to start a conversation with him.

"I will go back to the people," Devi Lal says, adding: "In politics there is no such thing as sanyas." Only, the Tau seems to have reached the end of the road, where no one will stop him even if he chooses to take sanyas. Yesterday's grand old man has been dumped and there are no visitors to his durbar. The jester is truly alone.

—HARINDER BAWEJA

LALOO PRASAD YADAV

A REGIONAL SUPERSTAR

With his populist rhetoric and solid sectarian support, the Bihar chief minister has emerged as a powerful leader.

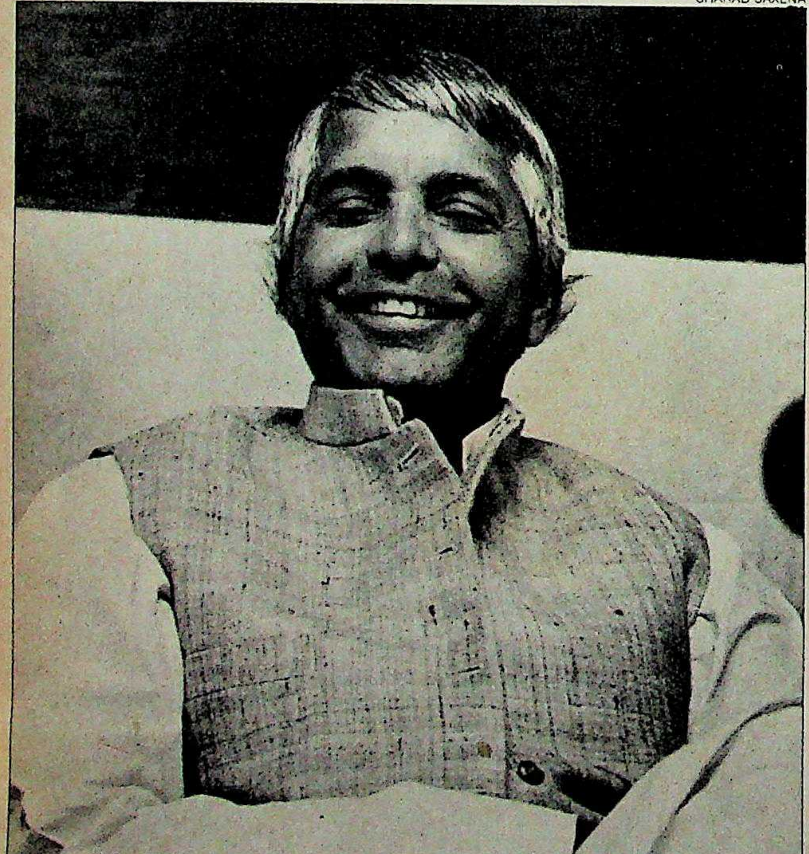
WHEN the cocky, bantam-like figure spouting earthy philosophy and rustic abuse arrived on the Bihar scene just two years ago, he was widely dismissed as something of a buffoon, a political joke. Even his name Laloo, popularly used to describe an idiot, invited derision. Today, the only one laughing is Laloo Prasad Yadav as he emerges as India's new regional colossus.

"No other party except the National Front-Left alliance will win a single seat," Laloo had boasted during his campaign. And he almost kept his promise: all but five seats, which fell to the BJP, went to the Janata Dal and its allies. Clearly, in Bihar's caste-ridden politics Laloo's image as Mandal messiah and his backwards-minorities formula have worked to perfection. And combined with these, his masterly rustic rhetoric has given him a mass appeal.

Predictably, he has been accused of hijacking the poll process. K.K. Tewary has called him "a mere outlaw who went berserk", and the leader of the Opposition, Jagannath Mishra says: "The elections were unjust and reduced to a farce." The stories about how Laloo rigged the elections are legion. BJP General Secretary Yashodanand Singh cites an instance of the disappearance of a box containing 123 votes from booth number 176 of Khangeria constituency, which was later recovered with thrice the number of ballots. But none of the canard appears to have stuck, and Laloo is riding a high.

The other chief protestor against Laloo's highhanded ways has been the Chief Election Commissioner T.N. Seshan—he stopped counting in two seats, withheld results in half a dozen and ordered transfers of some returning officers. Of course, with characteristic ferocity Laloo struck back threatening Seshan with impeachment.

For Laloo, the vote is a vindication of a campaign where no minority or backward caste vote was left to chance. The message he sent out was that the backwards should end the "centuries-old Brahmin supremacy and grab power now".


SHARAD SAXENA

It was during the campaign that the genius of Laloo became evident. Flying in the state helicopter, he would declare in classic Bihari: "See, this *uran khatola* (flying machine) was purchased by Jagannath Mishra but I am flying in it." Instead of inviting criticism for misuse of state machinery, he elicited laughter. When his government was threatened with dismissal, he retorted: *"Hum ka daroga hain ki humke dismiss kardenge?"* (Am I a constable that they can dismiss me?)

Herein lies the secret of the Laloo persona. He can be the chief minister and yet appear anti-establishment; he can head the system and yet project himself to be on the side of the underdog, the underprivileged. And though under Laloo Bihar is in a financial mess—last fortnight the Reserve Bank of India suspended payments to the state as its overdraft had crossed Rs 560 crore—he remains unfazed, banking on his gimmickry and earthy wit to win the day. But this strategy can carry him only so far: soon he will have to deliver the goods or pay the price.

Laloo today is laughing the loudest. The uncrowned king of Bihar, many believe he will soon break away from the National Front and form his own regional party. In a state where the backwards constitute 52 per cent and the minorities 13 per cent of the population, Laloo has got his mathematics right. With a strong backward lobby in the bureaucracy to aid him, the self-proclaimed working class hero is definitely on a hot streak. —FARZAND AHMED

JAYALALITHA

QUEEN BEE

With all opposition within or outside her party utterly obliterated, the charismatic and autocratic leader is safe on her throne.

FROM oomphy star to chief minister of Tamil Nadu, it's been a long and often bumpy ride for Jayalalitha. Yet if the political road to success has been studded with speed-breakers, it isn't surprising given her legendary capriciousness and high-handedness.

But last fortnight Jayalalitha stood vindicated. Her party, the AIADMK, won 158 of the 162 seats it contested, while its ally, the Congress(I), won 60 of the 64 seats it contested. More significantly, the DMK was completely wiped out, with party supremo M. Karunanidhi barely managing to scrape through. With this overwhelming win, Jayalalitha has emerged as a regional superpower, unparalleled in the recent past in the south. What makes her showing even more impressive is the fact that even MGR never managed such a massive mandate.

Jayalalitha's sweeping victory indicates clearly the vice-like grip personality politics has on Tamil Nadu. Three main factors have contributed to her resounding success: the fact that she is seen as the true inheritor of MGR's legacy; the sympathy wave that ran through the state following Rajiv's assassination; and above all her own formidable, if slightly inexplicable, personal charisma. For the convent school-educated Jayalalitha—a reluctant entrant into the world of cinema and then political debutante in 1982 when she joined the AIADMK as MGR's protegee—is known to be whimsical and reclusive.

For example, when MGR succumbed to inner party resentment to her unprecedented rise, and made her quit her party post, she chose to go into splendid isolation. And her resurrection, ironically, began only after MGR's death in 1987. And she became unstoppable after the 1989 polls when arch-rival Janaki Ramachandran's faction was totally wiped out. She was the new empress and her word was law. Doing away with the few remaining democratic norms in the post-MGR AIADMK, she developed into a whimsical, temperamental and often petulant politician. In her two years as opposition leader she visited the state Assembly just once. But that one visit by itself was memorable. That was when she raised a massive hue and cry over an alleged molestation. Jayalalitha vowed never to enter the Assembly as long as Karunanidhi was chief minister. And she kept her word. In those two years she disappeared from public view for months on end. But amazingly even that did not erode her popularity.

Given her record, it remains to be seen if the responsibilities thrust upon her will improve her arbitrary style of functioning. Senior Congress(I) leaders, both from Tamil Nadu and New Delhi—with the exception of Rajiv Gandhi—have been made to wait endlessly for an audience with 'madam'. She continues to remain cocooned in her fortress-like residence in south Madras, surrounded by the SPG, carefully preserved like a hot house flower.

How she will treat the Congress(I)—her partner in victory—in the post-Rajiv era is another matter altogether. Support them she surely will—but only on her own terms.

Clearly, her emergence portends an unpredictable future for the state. On the positive side her legislative party is full of new faces, young and earnest MLAs. Also her own reputation is untainted by any shadow of corruption. She could well give Tamil Nadu the efficient and "compassionate" government she promised. Equally, she could continue to run the state in exactly the same manner as she has run her party in the last two years—arbitrarily and arrogantly. —KAVITHA SHETTY

SHARAD SAXENA

THE BJP

SOLD ON THE HARD LINE

The party now believes that it is not at all necessary to win over the minorities and project a more conciliatory image in order to win a national election.

SOBERED but not dejected, the BJP is settling down to function as the single largest opposition party with 119 seats in the tenth Lok Sabha. Although it won far fewer seats than its much-publicised figure of between 160 and 200, it has nevertheless doubled its share of votes and achieved its primary objective—to establish itself as a viable national Hindu party with a presence in several states of the Indian Union.

After years of existing as a fringe party, a political pariah, the BJP has shifted the parameters of political debate from its earlier "pro- or anti-Congress" focus to issues—interpretations of nationalism and "pseudo-secularism". Earlier confined to the Hindi belt, it has now established a foothold in Karnataka and Andhra Pradesh, and routed the Congress(I) in Gujarat. Its biggest triumph was, of course, capturing power in Uttar Pradesh.

Its electoral performance has hardened the BJP's stand on many issues. The party leadership claims these results have finally exploded the myth that minorities are necessary to win an election. In future dialogue with minorities, the majority community must adopt a strong position right from the start. "Today, we are more convinced than ever that anti-minorityism must be rejected. In fact, we would like to also push the polarisation between ourselves and the other parties on issues like nationalism versus pseudo-secularism," stated party ideologue Govindacharya. "But we oppose violence because that makes us appear to be anti-minorities."

Because there is to be no revision of "fundamentals", there will also be no apologies about its association with blatantly communal parties like the Shiv Sena or individual minority baiters such as Sadhvi Rithambara. On the matter of Bal Thackeray's remark ("We are proud of Nathuram Godse. He saved the nation from another Partition"), the response is unabashed. "If people were so annoyed at what he said about Mahatma Gandhi, why did it not affect Gujarat?" asks a BJP leader. Advani agrees, adding that Gujarat Congress(G) leader Chimanbhai Patel "repeated this remark daily, it was a matter of intense discussion". His verdict: We won Gujarat but lost Maharashtra because of the assassination and Sharad Pawar, not Thackeray.

But the BJP has had its share of failures. Following Rajiv Gandhi's assassination, its leaders had confidently predicted wresting the stability card from the Congress(I). The reverse happened. In many states Rajiv's murder swung votes towards the Congress(I), particularly in Maharashtra, where a strong, unified Congress(I) under Sharad Pawar demolished the BJP and its ally the Shiv Sena.

Photographs by SHARAD SAXENA

ारतीय जनता पार्टी
राष्ट्रीय कार्यकारिणी
20-21 जून.1991. नई दिल्ली

Advani, Vajpayee, Joshi and Vijayaraje at the national executive meeting: sober mood

One of the BJP's biggest humiliations was losing seats in the BJP-ruled states of Madhya Pradesh, Himachal Pradesh and squeaking through in Rajasthan. After shouting from the roof-tops that once in power, the party would project a new political image to the country, today a senior party leader admits: "Even our seasoned politicians in Madhya Pradesh showed a degeneration in motivation, their bickerings and ego clashes cost us votes in several districts."

The party has also realised that it failed to emerge as a serious contender in strong non-Congress(I) ruled states such as the Janata Dal-governed state of Orissa where the battle was between the Janata Dal and the Congress(I) or Bihar where the BJP won a meagre six seats—almost entirely in regions where the RSS had a decade-long presence of social work and indirect Hindu thrust.

Perhaps of more long-lasting significance has been the party's failure to allay fears about its communal ideology. A powerful section of Indian opinion cannot reconcile the more restrained language of the BJP leadership with the rabid, rabble-rousing rhetoric of its cadres and its footsoldiers in the VHP. Political analysts, incidentally, believe this was one of the main reasons behind the phenomenal performance of

Congress(I) candidate, movie star Rajesh Khanna, in Delhi who lost to L.K. Advani by a mere 1,589 votes.

What tactics will the party adopt in the weeks ahead? Both in the Lok Sabha and in Uttar Pradesh, apart from some politically-expedient sabre-rattling, it will initially refrain from confrontation with the Centre, supporting major economic programmes like applying for an IMF loan, trimming subsidies and the budget deficit. Atal Behari Vajpayee has said his party will vote against the Rao Government when it seeks a vote of confidence in Parliament—but in the same breath claimed that his party wanted the Congress(I) to last a full term. Its priorities are clear—if the party is to move towards its unshakeable goal of ruling India it must project its "rational Hinduism" face of the Advani-Vajpayee variety and not degenerate into a religious party of rabid Hindu zealots uninterested in crucial economic development. Next, it needs time to spruce up its growing organisation into an ideological cadre that can project the party's views in its new areas of influence across the country.

Over the Ram mandir, the BJP will first revive negotiations that began prior to November 30 last year between the VHP and the Babri Masjid Action Committee over finding a peaceful resolution to the conflict. Second, it will explore ways in which it can expedite the judicial process of legally acquiring the disputed land and simultaneously see if it can pass legislation for this purpose. Said Govindacharya: "We do not want the new Government to fall on this issue. But at the same time, if the Centre tries to shamelessly woo the minorities and seek confrontation, then we will respond accordingly." To which S.S. Bhandari, party vice-president adds: "Why not kill the snake without breaking the stick?"

—SHAHNAZ ANKLESARIA AIYAR

THE JANATA DAL

FRESH DILEMMAS

After the poor poll performance, V.P. Singh has to hold the party together, resist pressure for a coalition with Congress(I) and strengthen its base.

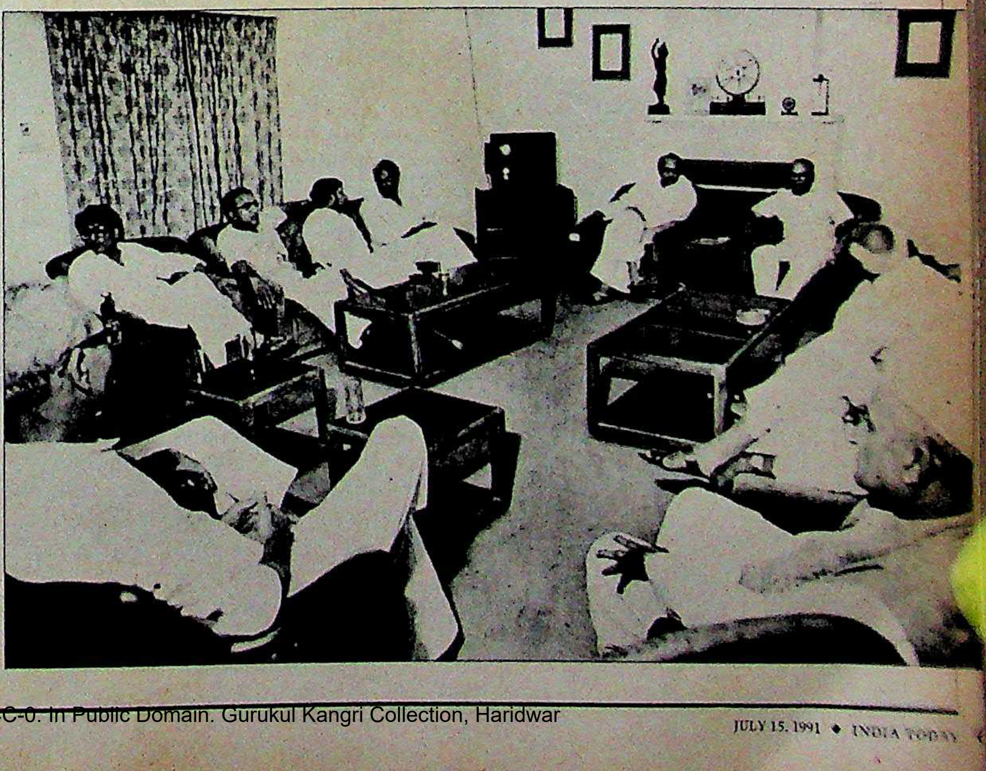
THE Mandal wand that was meant to work magic with 75 per cent of deprived India has instead relegated the Janata Dal to a poor third position. V.P. Singh, the wonder of 1989 when the party bagged 143 seats, has been reduced to a sectional leader with only 55 MPs.

Even in Bihar it was Laloo Prasad Yadav's charisma that worked wonders. "The sympathy wave upset all balances. Our strongholds like Karnataka, Orissa and Maharashtra went to the polls after the assassination," explains V.P. Singh. Even the backward caste-Muslim combination did not work as a cohesive vote bank. In Uttar Pradesh, where the party didn't do badly, the Muslim vote was split between it, the Congress(I) and the SJP. And even the backwards did not stand behind him.

Now V.P. Singh's immediate concern will be to keep his 55 MPs together as a section in the party favours coalition with the Congress(I). Singh shot down the move because the party only till yesterday was the Congress(I)'s strong critic. But his calculation is that the Janata Dal could only reap the benefits of the Congress(I)'s mistakes if it retained its identity as an opposition party. Yet, leaders like Ajit Singh say that if the party supports the Congress(I) from outside, it is in any case seen as part of the ruling group. And if they bring down the Government, the next battle will be between the Congress(I) and the BJP as the Janata Dal lacks money, media, or middle class support. By opposing the shifting of the Babri Masjid, the Congress(I) has re-established its secular credentials and will get Muslim support next time around. Many such leaders now feel that the Janata Dal should function as the "northern face" of the Congress(I).

Such are the uncertainties that the Janata Dal now has to grapple with. And pressure on leaders like Laloo Yadav and Ram Vilas Paswan, from within the party and from the Congress(I), to agree to a merger or coalition can only mount. Laloo, for one, would not be averse to the Centre cooperating with his government, should the need arise.

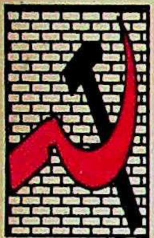
Janata Dal leaders discussing the post-election scenario: confusing picture



The party can only take solace from its role as the chief unoffical backer of the minority Congress(I) Government. The National Front-Left combine's positive approach towards the ruling party has given it a lot of bargaining power. While the combine cannot but behave responsibly—for no one can afford another mid-term poll—they still want to play the role of an active opposition.

While V.P. Singh sits as the titular head of the combine, the second largest group in the Lok Sabha, he has to set his own divided house in order. Soon after the elections, Ajit Singh accused him of having colluded with Muslim fundamentalists at the expense of secular elements in the party. A split was avoided because the Ajit Singh-Biju Patnaik duo, with a dozen MPs on its side, is not yet in a position to cross over to the Congress(I).

The left parties can also worry V.P. Singh as they want to support the Congress(I) on issues, even independently of the Janata Dal. Then Singh will have to get down to grassroot organising at the state level. For as a party leader points out: "If V.P. Singh goes on harping on Mandal and social equity, he will reduce himself to another Kanshi Ram and confine us to the dustbin of history." —HARINDER BAWEJA



THE LEFT

LOOKING FOR AN OPTION

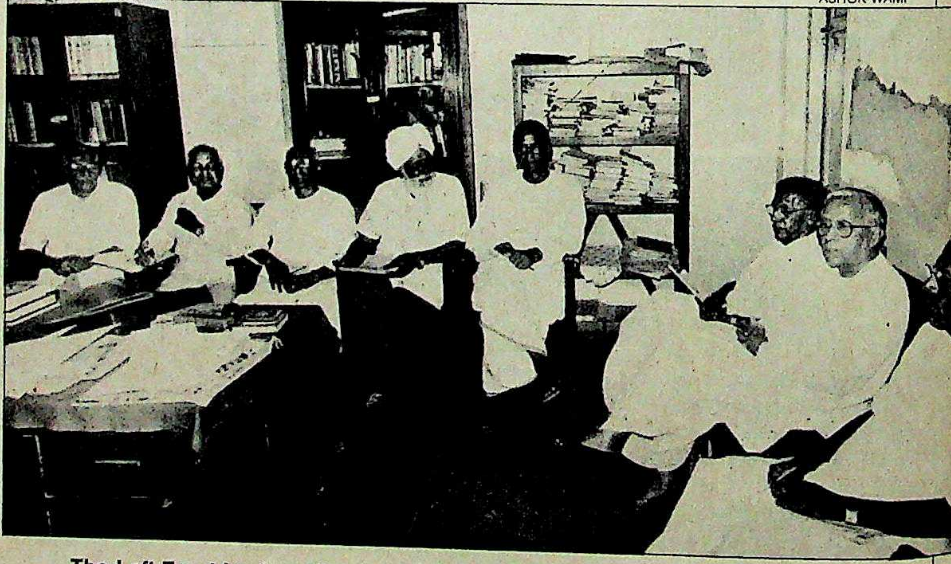
The communist parties decide to remain with the National Front, though to stall the BJP's success, support to the Congress(I) becomes necessary.

THE position of the communist parties after the results were in, was a bit like prospective brides awaiting a suitable bridegroom. In ordinary circumstances, the Congress(I) would have had little choice but to court the 35 CPI(M) MPs and get them to sit on the treasury benches. But the sympathy vote following Rajiv Gandhi's death got the Congress(I) closer to the magic half mark, simultaneously devaluing the importance of CPI(M) support.

With the increased Congress(I) take, the CPI(M)'s less influential cousin, the CPI, became even more of a bit player. It now has 13 MPs, mostly from Bihar. That did not guarantee the party much clout in the immediate post-election scenario.

But the situation could quickly change given the dissatisfaction of the Maharashtra lobby in the Congress(I) with its representation in the Cabinet and the ostensible humiliation of Sharad Pawar. The Left parties with their solid block of votes could then become the key to the Congress(I) Government's viability.

ASHOK WAMI



The Left Front leaders discussing strategy in New Delhi: no easy choice

Meanwhile, both the Left parties have decided to sit in the Opposition, supporting the new Government from issue to issue. The CPI(M) does not want to be identified with the establishment. Being part of the Government or extending formal support has been completely ruled out, unless there is a re-alignment of political forces and the ruling party splits. At least for now, the party's loyalties to the National Front-Left combine remain intact.

As a member of the National Front-Left alliance the CPI was not clear whether it should be part of the Congress(I) Government or support it from outside. Now its stand is identical to the CPI(M) and the National Front. And it is likely to be even less demanding.

For the CPI(M), a possible area of friction can be economic policy. The party is not against going to the IMF for a loan to tide over the balance of payments crisis. But it is unlikely to agree to some of the conditions. The CPI(M) would, for instance, oppose tailoring the Union budget according to the stipulations of the IMF. It believes that the country has a certain economic potential, and should not compromise its sovereignty on this issue. It also wants the Government to consult with the Left and the National Front before coming to any decision on this issue.

The CPI, on the other hand, favours interaction with capitalists. Even though certain sectors should continue to be state-controlled, it feels there are many other areas which could use private investment. And the state should help private entrepreneurs develop the economy.

Dr Manmohan Singh could hardly argue with that.

—ARUN CHACKO

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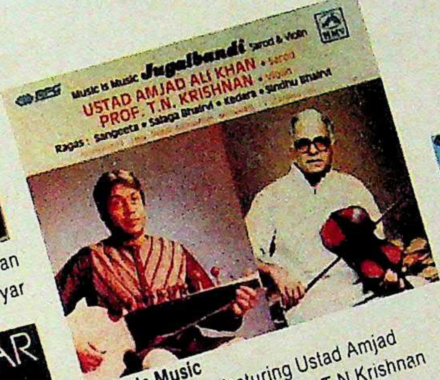
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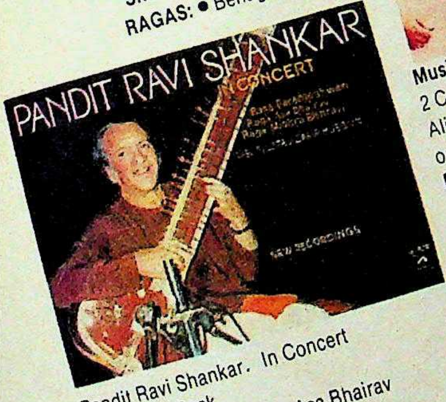
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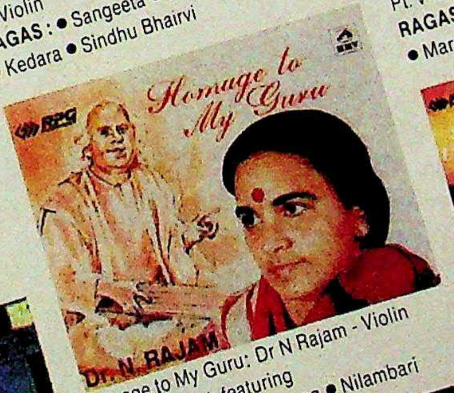
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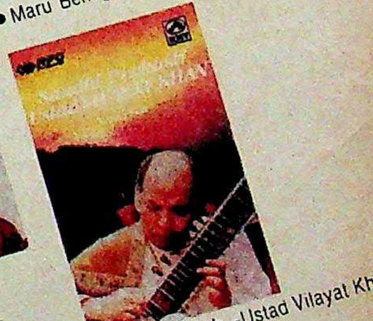

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(Vocal)

Needaya Rada; Vegamay/
Brihadeesvara; Omkara; Tillana

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(Shehnai)

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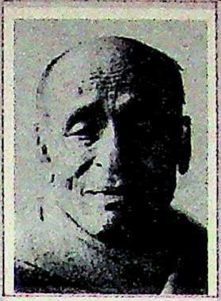

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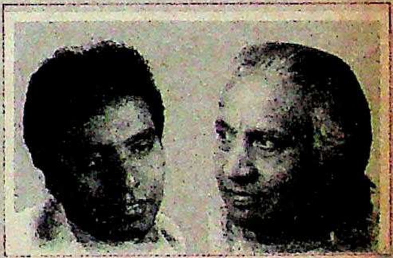

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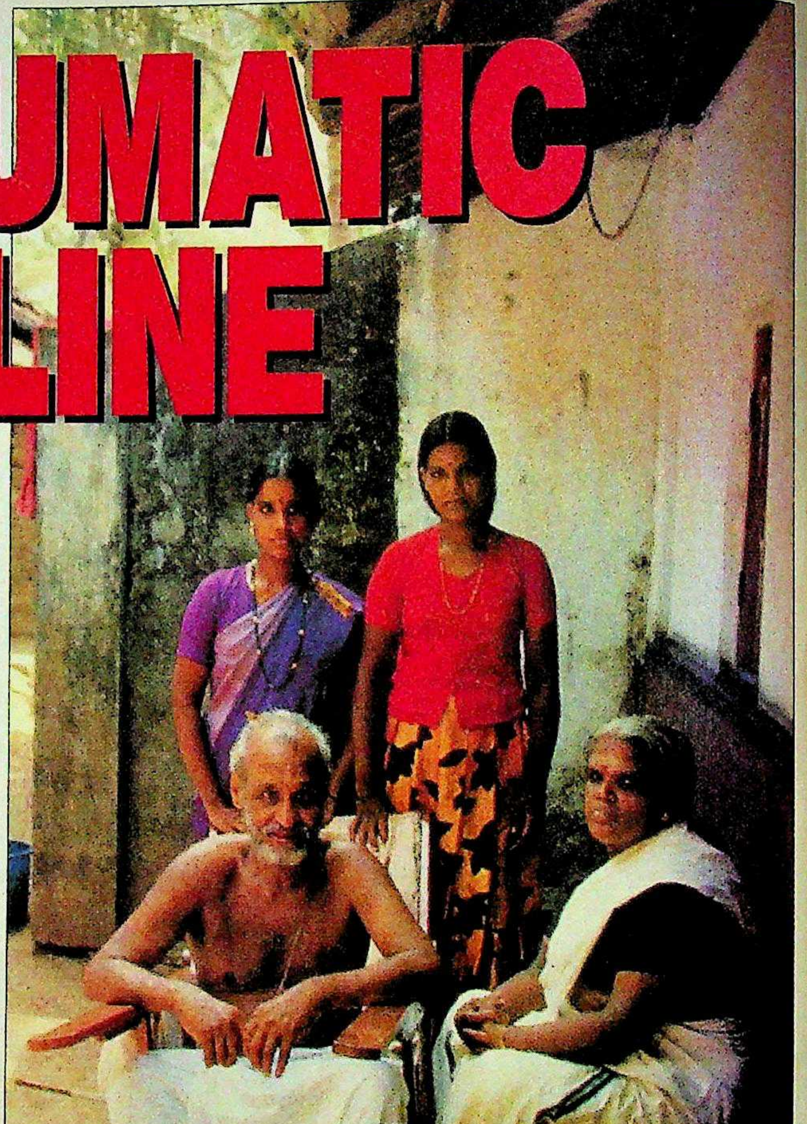
Photographs by SHANKAR

THE NAMBOODIRIS

TRAUMATIC DECLINE

Land reforms and an epicurean life-style have diminished the glory of the affluent priestly community that dominated the social and cultural life in Kerala for centuries.

By RAMESH MENON in Trichur

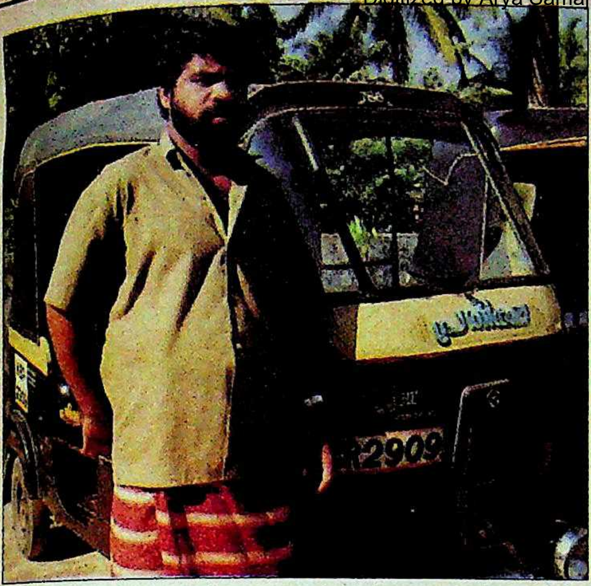


MEMORIES of another day haunt 67-year-old Parvati Namboodiri of Trichur. Once her family owned 100-odd acres of paddy-rich land. Today, left with a paltry three acres and no cash to cultivate even that, they are forced to scrounge to make both ends meet. Worse, her younger son, Narayanan, 43, is at a job which no Namboodiri would have deigned to do: he is a peon in a government office. The elder son, Krishnan, is a pujari earning a puny Rs 500 a month. Their palatial house is decrepit, with saris doubling as curtains. As Parvati talks of the glorious past her eyes well up.

Parvati's story is typical of the entire 12,000-strong Namboodiri community of Kerala that has witnessed a pathetic decline. Till just a few decades ago these top-rung Brahmins remained unchallenged at the apex of the social ladder and basked in the glory of a centuries-old tradition studded among others by Adi Sankara, the Advaita philosopher of the eighth century. Immense wealth, coming from their vast lands, and unlimited leisure made them connoisseurs. But like any culture that has reached the zenith the Namboodiris too started degenerating into decadence.

Eventually what rang the death-knell of the community were the land reforms of the 1960s. "The reforms destroyed us," concedes Kumaran

Once he had a palatial house and acres of paddy-rich land. Today Raman Namboodiri's family lives in a tiny house without basic amenities.



Even in Guruvayoor where they were venerated, young Namboodiris like Keshav have taken to lowly jobs.

Women were for long confined to their houses. Now those like Parvati have even taken up tailoring.

Namboodiri, 69, a retired forest employee. He should know. Thirty years ago, his family flourished on an annual yield of 25,000 kg of rice. Today, he relies on his ration card. Yet, the Marxist in him stops him from being bitter.

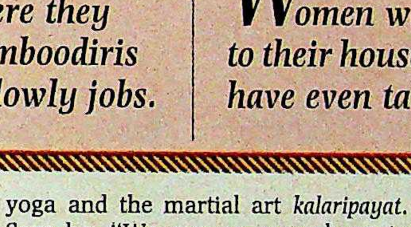
BUT others are disconsolate. Like Raman Namboodiripad, 65, who is cooped in a two-room house in Guruvayoor with his family, without electricity or even a toilet. A far cry from when he lived in a palatial house amid fields which gave him 7,000 kg of paddy every year.

Sad also is the plight of the well-known Deshamangalam family which two year ago had to demolish its huge mansion, built in a distinctive architectural style. Reason: they could not afford its upkeep. The carved wood and the rest of the rubble was sold by weight.

Memories of lost grandeur are of little help. In Guruvayoor itself where the Namboodiris were highly respected as custodians of the famous Krishna temple, there are many symbols of their decline. Keshav Dev drives an auto-rickshaw and Sreedharan Namboodiri plays the drums in a temple. Unnikrishnan travels into the hinterland of Kerala making smokeless chulahs because he finds it impossible to make a living as a pujari. Keshavan has turned a teacher of yoga and the martial art *kalaripayat*. Says he: "We can no more hope to secure high-profile jobs but must get out of temples if we are to survive."

Ironically, the name that evinced veneration once is an albatross round their necks now. In a state Mandalised much earlier, belonging to an upper caste is a disadvantage. Not surprisingly, points out Vasudevan Namboodiripad, 37, of the Poomulli family: "Many young Namboodiris now want to axe their surnames and the past."

PRAMOD PUSHKARNA



"The uniqueness of the community has ended once and for all."

E.M.S. NAMBOODIRIPAD

And yet the Veda-chanting community were practitioners as well as raconteurs of a fine poetic tradition and they taught and danced the Kathakali. If the dance form has achieved the stature it has now it is due mostly to the determined effort of Namboodiri gurus.

Strangely the intellectual and the carnal went hand in hand. As the Namboodiris' power flowed mostly from their lands, customs were evolved to keep the property of a family undivided. Only the eldest son could marry and that too a Namboodiri alone. The younger brothers went in for *sambandham*—non-legal marriage that could be broken any time—with a Hindu caste woman. They were allowed to keep any number of such concubines and were not obliged to provide for the children born out of the relationship. The women had a privilege though: by placing the slippers of her new Namboodiri man outside her door she could break the earlier alliance.

Inevitably, the soft life took its toll. In suspended animation, they grew pot-

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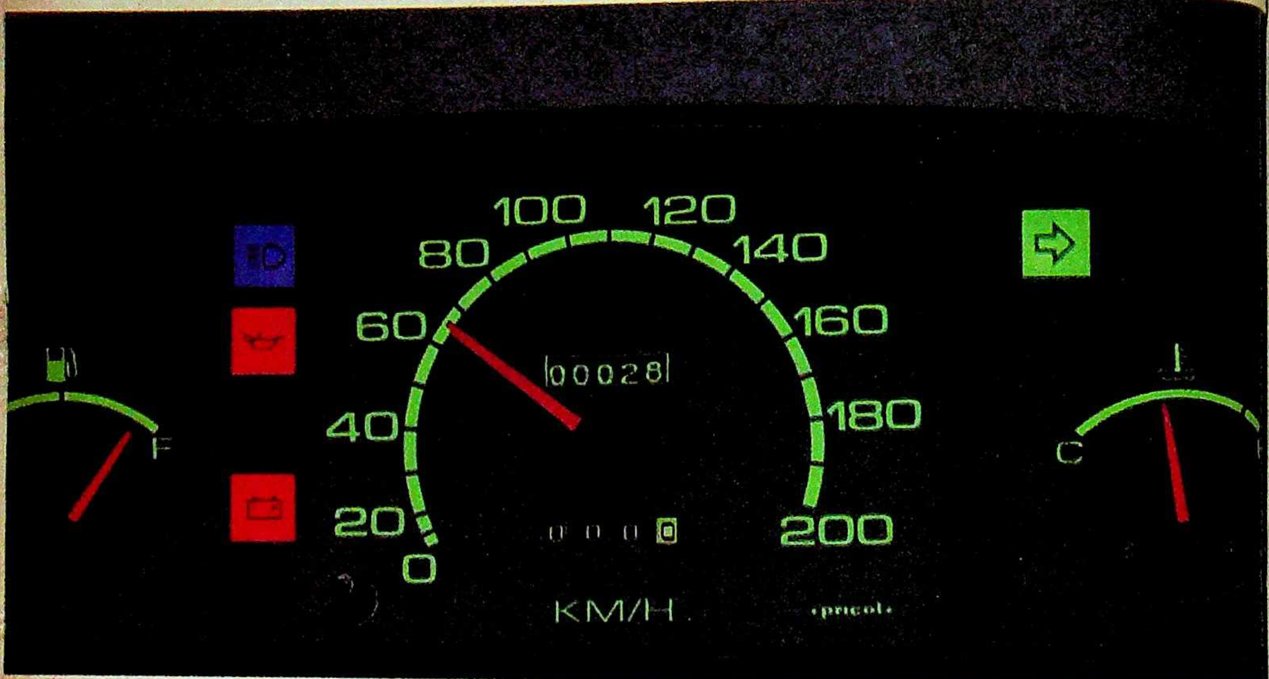

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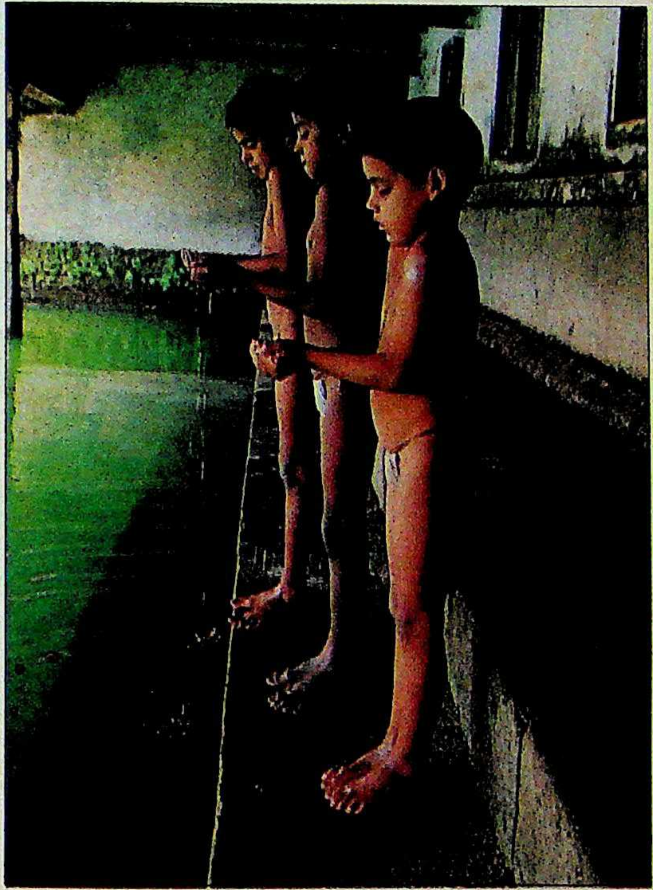
bellied and became slothful. No Namboodiri worth his salt ever toiled except in the temples. Veteran Marxist leader E.M.S. Namboodiripad, 81, recalls how none of his three brothers ever worked. Confesses another Namboodiri: "We ultimately paid a price for our laziness." Moreover, they were also cheated of their money by their concubines and managers called *karyastans*.

However, the real jolts to the Namboodiris' hegemony came early this century with the reform movements. Narayana Guru, an Ezhava, crusaded against orthodoxy and social inequality. And the land reforms of 1969 were pushed in by none other than E.M.S. Namboodiripad, the then chief minister who was a virulent critic of the degeneration that had set in in his community. As land went to the rightful owner—the tiller—the Namboodiris were bereft of their only source of income. Overnight they were left paupers with the exception of just half a dozen families like Olappamanna and Poomuli.



In the predominantly matriarchal society of Kerala the Namboodiri women had little freedom even within the house. In more conservative families they were not even allowed to sit in the front porch. And if they ever ventured out they had to carry a large palm leaf umbrella to stave off glances from bystanders. As many Namboodiri men went in for *sambandham*, Namboodiri women mostly ended up as spinsters. Sometimes, even teenagers were forced to marry doddering old men. Which meant they became widows in no time. They were not allowed to remarry either. Adultery invited social ostracism.

In their emancipation many individuals played a pivotal role. The man who put the revolutionary process in motion was the late V.T. Bhattatiripad, a Namboodiri, who staged the play *Adukkelayilninnu Arangathekku* (From the kitchen to the stage), with the help of E.M.S. Namboodiripad in 1930. He was followed by Parvati Nenminimangalam, one of the forerunners of the feminist movement.

SHE orchestrated a crusade against girls not being allowed to wear blouses, for education, and for letting girls go out without an umbrella. Lalitambika Antarjanam, another Namboodiri, wrote poems and short stories which focused attention on the servitude and agony of women confined to their *tharavad*.

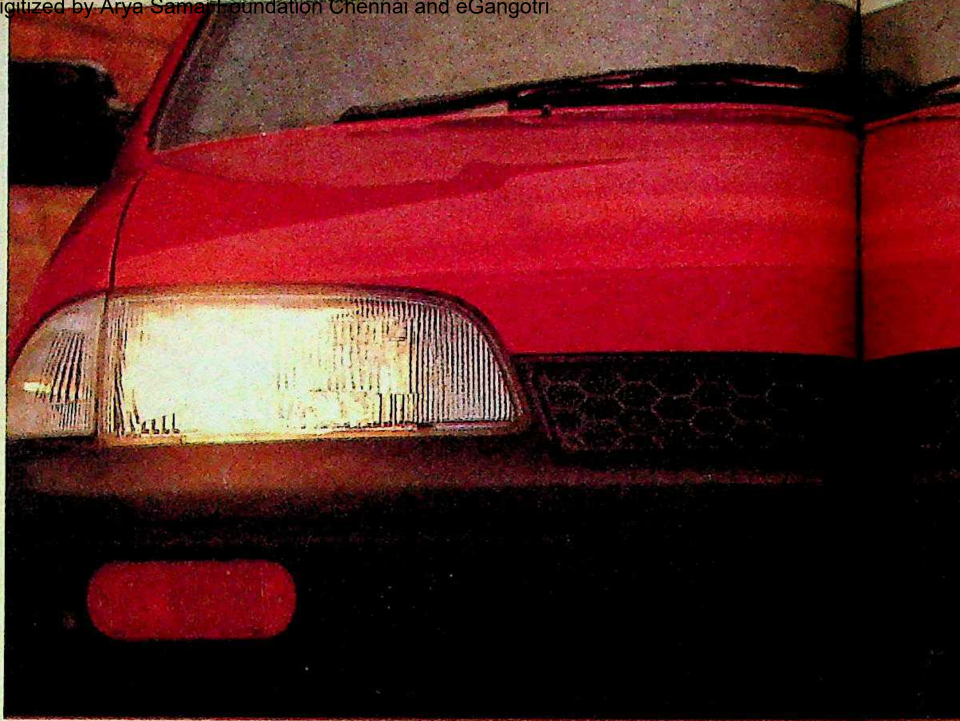
Reform was the need of the hour in other aspects of the community's life too. Famed Malayalam actor Premji—a Namboodiri who won the National award for acting two years ago—created ripples in his youth when he cut his sacred thread publicly as a gesture to herald a break with the repressive and outmoded past. He broke another taboo by marrying a widow. Now 83, Premji looks back at his role in nostalgia and satisfaction. He has inspired many generations of Namboodiris to change track.

For that the most essential has been taking to modern education. While earlier children just studied the Vedas at home, beginning in the '20s and the '30s the Namboodiris started sending them to school. But, girls were still pulled out of school once they reached puberty. A voice of protest against that practice was raised, again by Premji, through a 1940 play titled *Ritumati*.

Amidst this churning of change, some good things too have been thrown out, like the baby with the bathwater. The Vedic tradition is dying out in the state. The Brahmasamadom at Tirunavaya, which taught Rig Veda rites to Namboodiri children, has closed down as there are no students. The only surviving Brahmasamadom is at Trichur. But it does not even have a score of students against a hundred a few years ago. As the institution is mired in financial trouble, it has now leased parts of its premises to a financial institution and a college.

Says Parameshwara Bharathikal, 84, a reputed Vedic teacher: "Chanting Vedas does not bring in money. So few will learn it now." Ironically, most of the students at the Trichur Brahmasamadom are from poor families who get admitted to avail of free meals and lodging. Such poverty among Namboodiris may soon get banished by the new-found zeal to adapt. In an attempt to break out of the old mould, many have discarded their surnames and even the sacred thread. They are ready to do any job anywhere. This has paid dividends as even abroad some Namboodiris are creating success stories. But, points out E.M.S. Namboodiripad: "The uniqueness of the community has ended once and for all."

The Brahmasamadoms where Namboodiri children learnt Vedas and rituals are closing down.



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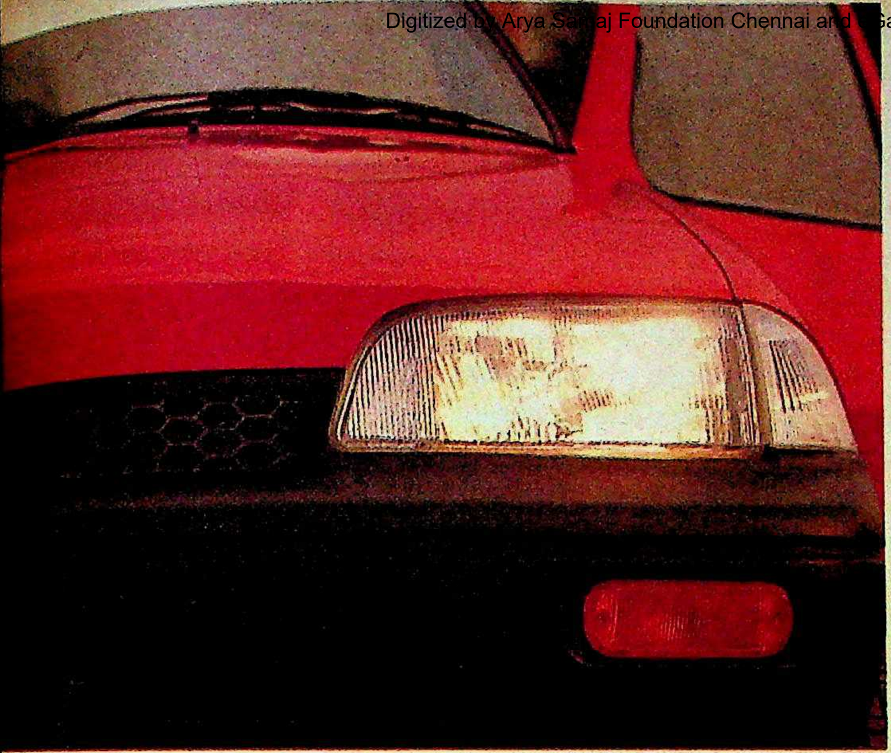

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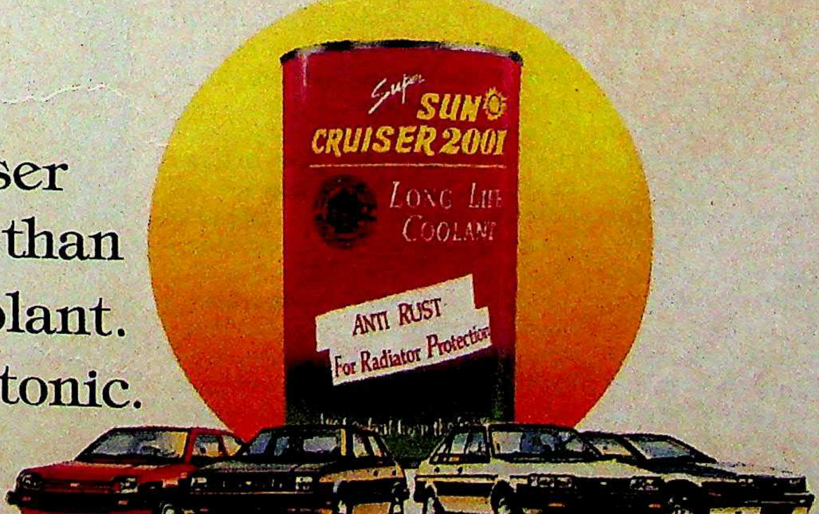

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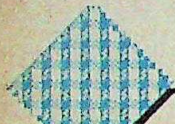
ERODE

Spinning a Success Story

Midway between the textile towns of Coimbatore and Salem, this rural market with its cheap cloth is a merchants' dream.

By KAVITHA SHETTY



IF it's Tuesday, it must be Erode. That is the catchline for weavers in Tamil Nadu and increasingly, textile merchants from all over India. Every Tuesday, round the year, they converge on this dusty little town midway between Coimbatore and Salem—hubs of the state's textile industry—to buy and sell cloth.

What begins as a trickle in the morning turns into a flood after sundown. The first to arrive are hawkers and cloth sellers from nearby villages and towns, who bring cartloads of goods. They are followed by tight-fisted, savvy buyers from Trichy, Salem and Coimbatore, eager to pick up early bargains. Finally, after dusk, big spenders from the north arrive by the trainload. Then, the town is a riot of sound and colour, and the air full of bargains in various languages—Erode sellers can handle Hindi, English, Malayalam, Telugu and, of course, Tamil, with enough ease to strike deals. A misstep means a bargain missed as much as it could mean being buried under bales of cloth. On Tuesdays, Erode is a scene of barely-controlled chaos.

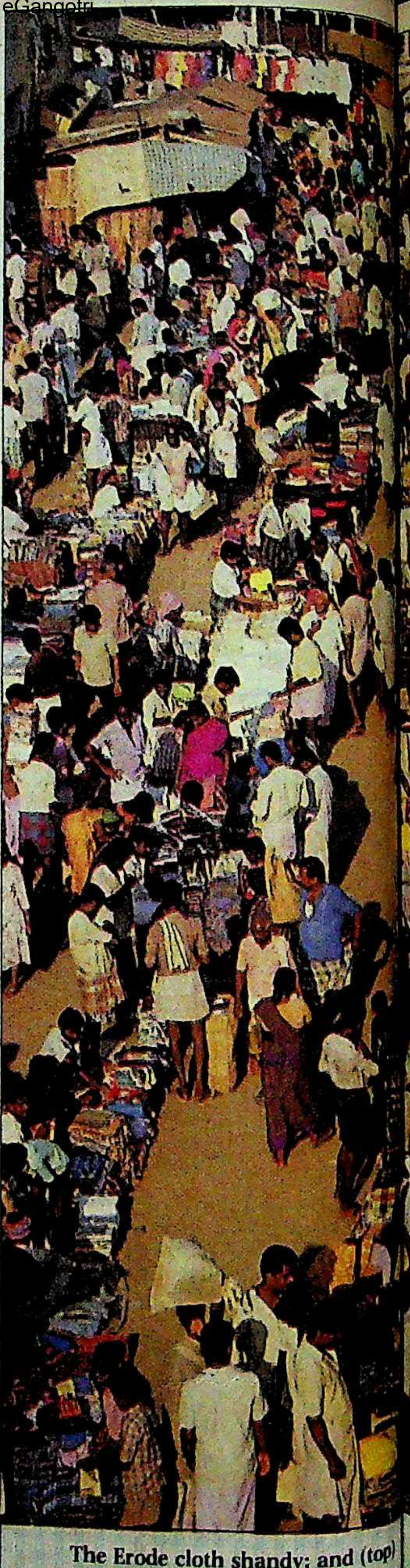
The business runs into crores of rupees every week and Erode, which even 40 years ago was a back-of-beyond place to which spice traders trudged for turmeric, is now a busy wholesale centre for the cloth trade, drawing people from as far away as Tripura and Gujarat. "Erode has the quality," says V.K. Saha, an Agartala cloth trader. "And prices are extremely low."

At the Erode 'shandy'—a word derived from the Tamil *santhai*, or weekly market—practically everything the region's handloom weavers churn out is available. From handkerchiefs which cost 75 paise each to a variety of sarees which peak in the Rs 7,000 range, and all products in between: lungis, vests, blouse pieces, petticoats, shirt material, bedsheets, bedspreads, furnishings and towels. The most popular product on sale is lungis, available in Erode for Rs 45 a piece, compared to Rs 60 elsewhere. Lower range cotton sarees sell for anything between Rs 25 and Rs 60. Anywhere else, the sarees wouldn't fetch anything less than Rs 80.

"I've been coming to the Erode shandy for seven years," says K. Manoharan, a buyer from Kerala who picks up Rs 50,000 worth of lungis and sarees for his shop in Calicut every week, "because nowhere else will I find such a variety for such a price." These may seem like bargains—and they are—but the sheer volume of transactions chalks up Rs 4 crore in sales every week at the shandy. Over a year, this accounts for more than three times the sales of Erode's previous manna, turmeric. Says K. Aramugam, a cloth seller from nearby Pathpalayam, who along with some 100 others from his village makes it to Erode every week: "It's the shandy that keeps Erode and us going."

No one knows when or how exactly the shandy began. At least, no one knows for sure. Some say it began as a weekly village market where everything from cattle to candy was sold. And cloth, sold by weavers from neighbouring villages and towns. They wove the cloth in their own backyards—most still do—running a traditional cottage industry. The weavers sold the week's output at the shandy, making just enough money to eke out a living and buy only enough cotton to weave cloth for the following week's shandy.

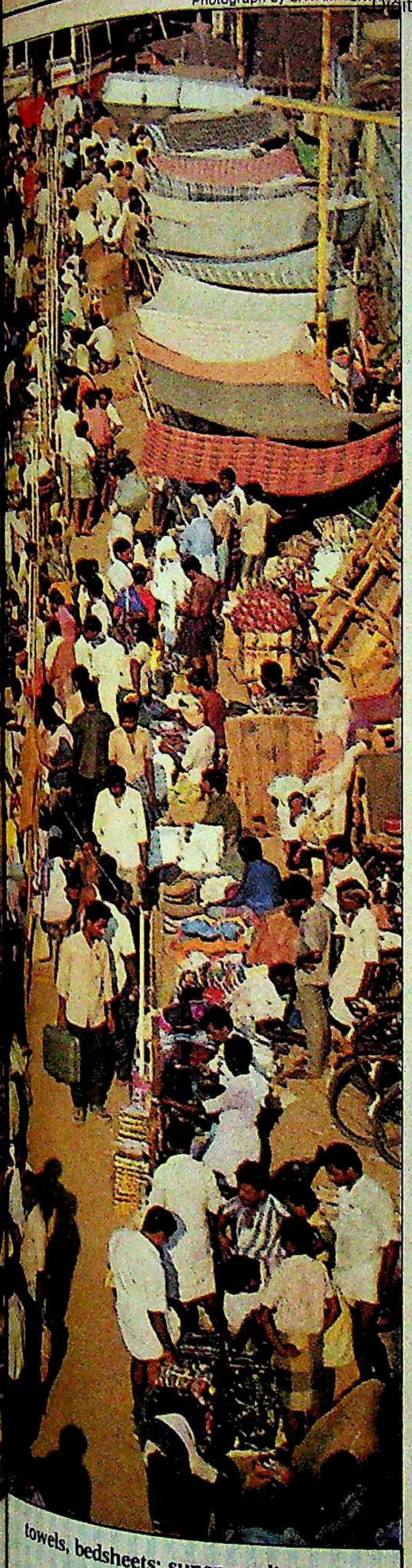
As word spread about good, cheap cloth of a wide variety being available in Erode, buyers began to increase in number and geographical reach. The shandy picked up momentum a little after Inde-



The Erode cloth shandy; and (top)

Erode has changed over the years from a back-of-beyond place to a bustling...

Photograph by SHYAM TEKWANI



nd (top) towels, bedsheets: super quality

...textile centre which draws buyers from as far away as Tripura and Gujarat.

pendence. And now, with numerous handloom units within a 60-km radius of Erode—which employ nearly two lakh people—in place, the importance of the market almost suggests itself. What helps a great deal is the fact that Erode is very well connected by rail, and is the biggest junction in the area for north and east-bound trains.

PEOPLE'S incomes have kept up with Erode's growth in stature, with even small-timers registering a steady rise. "Ten years ago I made Rs 1,000-Rs 2,000," says R.K. Chenthamarai, president of the local Handloom Merchants' Association. "Today I sell Rs 20,000 worth of cloth." On the other hand, competition is fiercer. Three decades ago there were not more than 60 merchants selling cloth at the shandy, compared to nearly one lakh these days. The boom has also brought about a lot of changes in the shandy culture. At the market-place, weavers have been replaced by commission agents, who buy cloth from them and sell it at the shandy for a cut in the sales, usually about 5 per cent.

Over the years, weavers switched to commission agents as the size of their business grew and they couldn't afford to waste up to two days a week travelling to the shandy and back, as well as the expense involved. Says Palanisamy, a weaver from Tharamangalam village who sends his cloth to Erode every week but hasn't been there himself for nearly two years: "I could use the two days it takes me to go to the shandy every week to weave cloth for two shandies to come. The commission agent goes there anyway and along with other people's cloth he takes mine too." And as business is brisk he can afford to pay the commission. Moreover, the weavers have realised that agents are able to get them better prices, as their own bargaining skills are limited.

There have been other changes. Many sellers still have their 25 sq ft of space at the shandy, and any encroachment leads to a fierce quarrel. But in some cases traders from one particular town rent out a whole godown of some 200 sq ft, and about 20-30 of them divide the available space among themselves, sharing the rent. Here, they can also let unsold stocks—a rarity in Erode—remain behind for the next week's shandy instead of having to cart it thrice over. There is the Chennimalai godown where bedsheets, for which the town is famous, are sold, or the Taramangalam and Salem godowns. Says G.M. Bhoopathy, a Chennimalai trader: "This arrangement keeps our cost down and we have a safe place to keep our stock." Bhoopathy sells up to Rs 1 lakh worth of cloth from his 3 by 6 feet space every week, as does almost everyone in the Chennimalai godown.

Some traders have even decided to relocate to Erode, as Ashok Kumar, a former Surat citizen did eight years ago. "In Erode you can enter the business with the least investment and expect maximum profit," says Kumar. "The cotton is here, the looms are here, cheap labour is here and now the buyers too are flocking here." He says it would have taken him at least Rs 3 lakh to set up a similar business at home, while in Erode it took him just one. Besides, overheads are low—sellers can simply set up shop on the streets without paying a paisa—and profit margins begin at 30 per cent and can go up to 60.

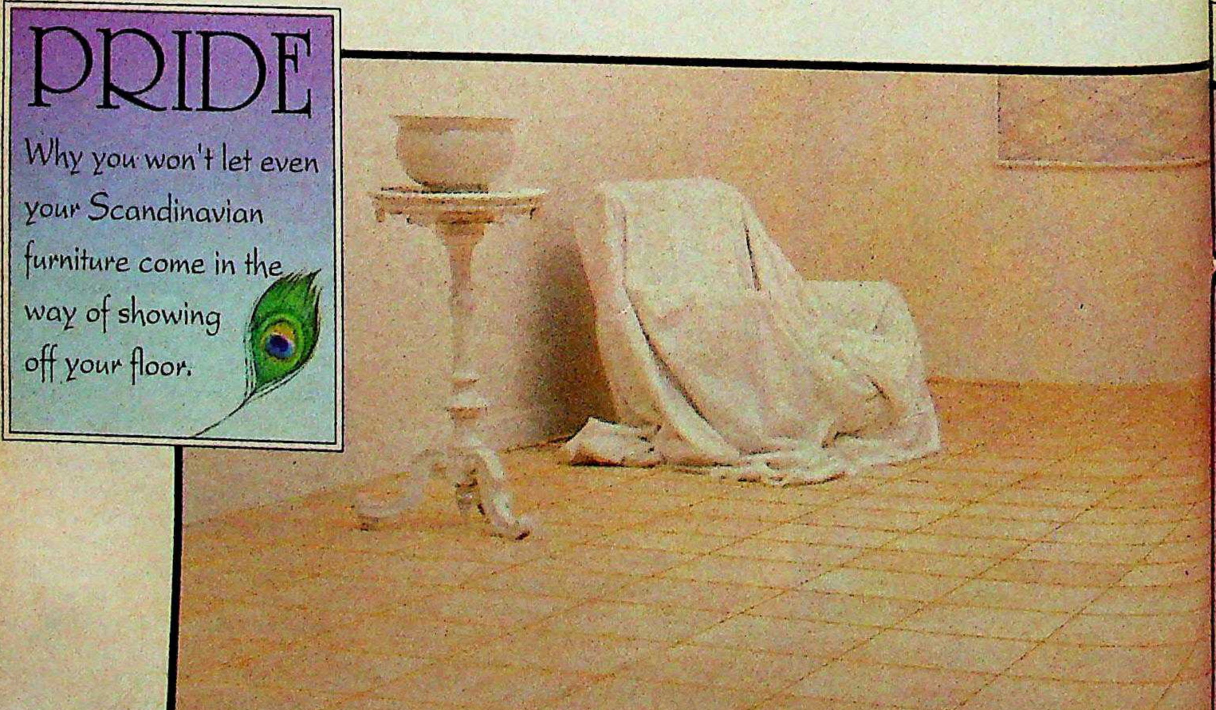
And besides the thousands who

throng the shandy there are 2,500 textile shop-owners in Erode—raking in anything between Rs 40 lakh and Rs 1 crore each a year—who do not take part in the weekly affair. Instead, they deal directly with buyers from other states, parcelling goods to up-country buyers. A key difference between them and the shandy participants is that they offer credit to buyers, while the Tuesday traders deal strictly in cash. Recently, these merchants have also begun exporting. For instance, cloth from Erode now goes even to the US and Taiwan.

> "In Erode you can enter the business with the least investment and expect maximum profit."
>
> ASHOK KUMAR
> *A Surat merchant resettled in Erode*

The shandy has spawned related businesses as well. Over the last 10 years a number of outfits called press bale godowns have sprung up in Erode to cater to the packaging and transporting needs of up-country buyers. Says Saravanan, proprietor, Mangayarkarasi Press Bale Godown: "We have 20-25 regular parties who come to the shandy for cloth, and after the traders pay for the cloth the responsibility is ours." At the godown, cloth is wrapped in gunny sacks and delivered to transport companies which parcel the bales to the buyers' address. Often, the buyer and his purchases ride the same train home. The godowns charge Rs 35 for a bale of cloth, and typically handle 150-200 bales every week.

The booming trade at the shandy, the prosperity of the resident merchants and the influx of visitors have totally transformed Erode. The town bursts at the seams with people on the shandy days, and the move to accommodate them has sparked off a hotel boom. In 1985 Erode had just six small hotels.


PRIDE
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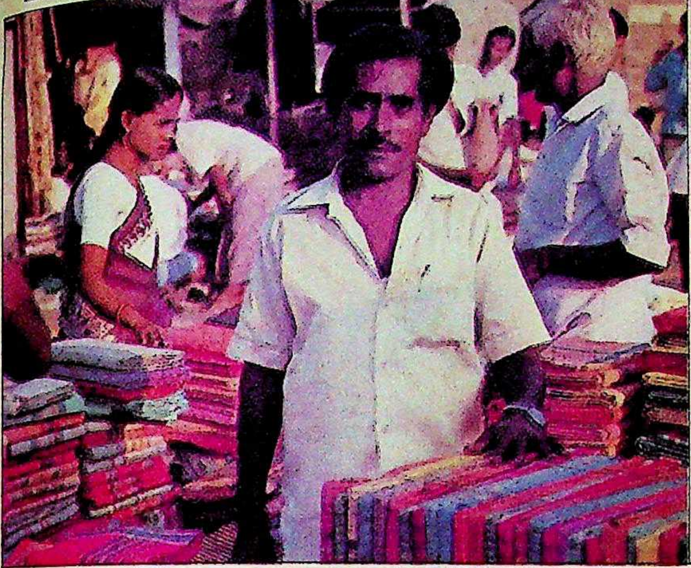


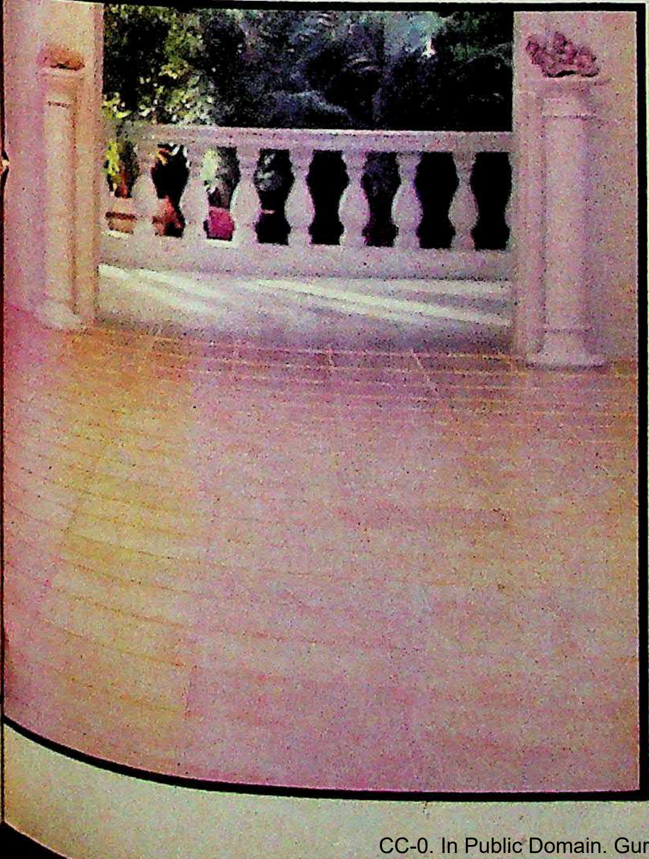
> "Basically it is the weekly market or shandy that is keeping both Erode and us going."
>
> K. ARAMUGAM
> *A trader from Pathpalayam*

Today that number has increased to 62, enough to accommodate close to 5,000 visitors. The money from cloth has provided for video parlours and even Cable TV. There are movie theatres practically on every street corner, and shopping complexes have sprung up all over the town.

The number of vehicles registered with the Erode Transport Authority alone has grown from 4,500 to 63,000 in the past decade. On Tuesdays, the number of vehicles in the town is almost one lakh, while its resident population is 1.6 lakh. The congestion is so bad that the Handloom Merchants' Association has now proposed the setting up of a 'textile nagar' on a 92-acre plot it has purchased away from the town centre, for a permanent textile shandy on the site.

While such activity and growth are indications of prosperity, they are limited to merchants and commission agents—for example, Chenthamarai, Erode's handloom association chief, leads a cushy existence. He has a spanking new Maruti, a VCR, colour TV, the latest electronic gadgets, and even travels out of town on business and pleasure. The weavers around Erode, though they are better off than before, are pressured into using their increased incomes to buy more yarn to weave cloth rather than spend it on goodies.

But at least they are not starving, as thousands of handloom weavers are across India. And this, in addition to everything else, lends a special touch to Erode. There is a local saying that sums it up: "If you can't prosper in Erode, you won't prosper anywhere."



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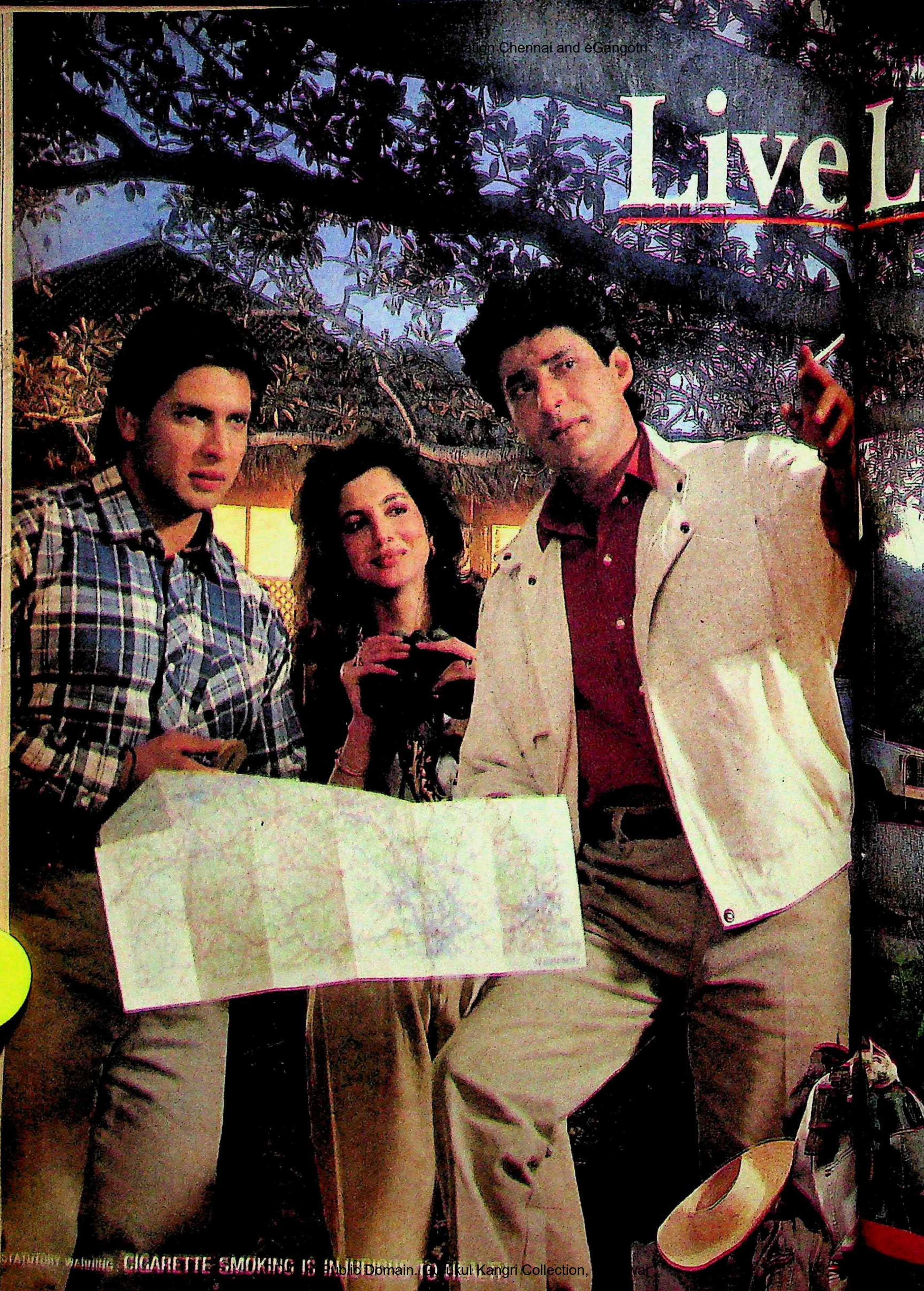
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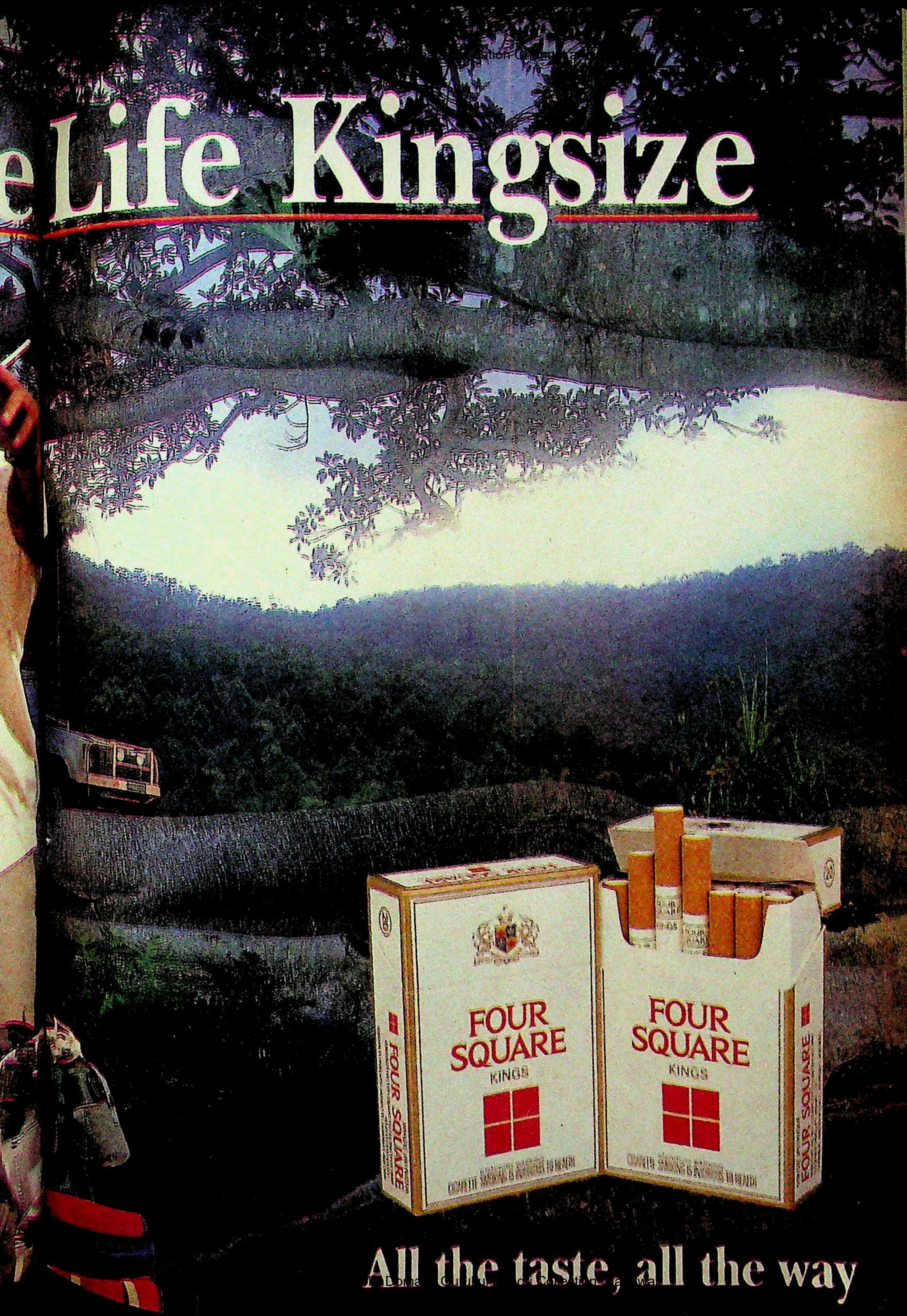
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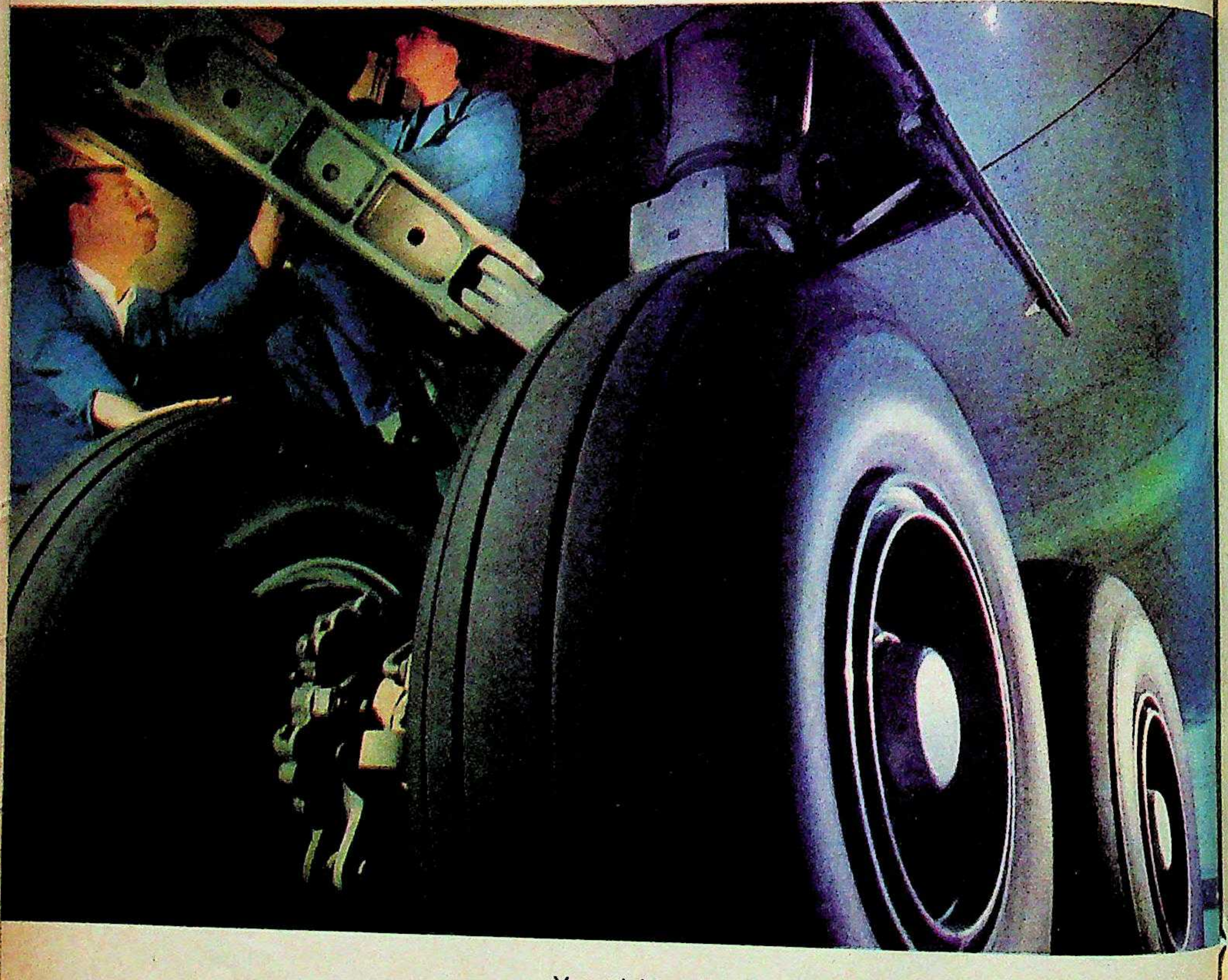

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RUNNING INTO THE RED

ALTHOUGH most nationalised banks have shown improved profits for the year ended March 1991, there is likely to be an addition to the list of loss-makers. Punjab and Sind Bank which had shown a profit of Rs 90 lakh the year before, will move into the red, joining the ranks of Uco Bank—the first public sector bank to jolt the industry last year by announcing a shocking Rs 54.59 crore loss for its 1989-90 accounts—and the New Bank of India (NBI). Unless, of course, the bank resorts to some last-minute window-dressing, an act the RBI would strongly discourage. The bank had alerted the RBI and the Ministry of Finance earlier this year to the possibility that its profits might nosedive, perhaps by as much as Rs 3 crore. Last month it sought, and got, the RBI's approval to delay the presentation of its balance sheet by a month beyond the June 30 deadline. The other bank which has sought extra time for the finalisation of accounts is NBI, which made a loss of Rs 9.89 crore in 1989-90. It is now expected to increase its losses to Rs 12 crore.

ACTION STATIONS

THE action in India's computer industry is shifting to workstations—essentially low-cost, high performance desktop computers. According to figures put out by the Manufacturers Association of Information Technology, the Rs 95-crore Indian workstations market is the fastest growing segment in the industry. While the micro, or personal computer, and minicomputer markets grew by a mere 18 per cent and 13 per cent respectively, the workstation market grew by a staggering 126 per cent in 1990-91. A veritable slugfest looms for a share of this action with global market leaders such as Sun Microsystems, ComputerVision in the fray with Indian associates. The current leader is HCL, whose Domain workstations saw sales rise in 1990-91 to Rs 35 crore from Rs 28 crore the previous year. But it is Wipro Information Technology Limited that has gained with its Sun workstations. Its sales leap-frogged from Rs 12.6 crore in 1989-90 to Rs 23 crore in 1990-91. OMC is no pushover, either, and its Silicon Graphics machines registered sales of Rs 20 crore last year.

MONEY MOVES

CASH-STARVED banks are finally heaving a sigh of relief. After a tortuous 60 day cash-management nightmare, rates on short-term call money markets have started moving down. Around mid-June, rates had eased to 30-35 per cent. The price of money is expected to taper down. Reason: money lying with mutual funds entered markets. With no new capital issues, managers have begun lending money to parent banks, who in turn have begun lending in the inflated money markets.

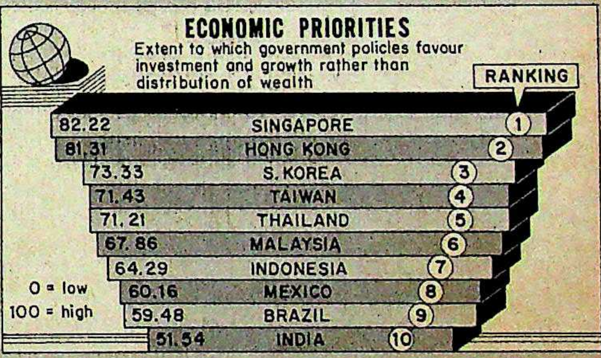
FLYING SCHOLARS

FOR foreign companies, one cost-effective way of building a benevolent image in India appears to be the offering of scholarships. Companies such as Fujitsu of Japan and Philips of Holland were among the pioneers in this game. Now, an 'Asian tiger', Singapore Airlines has got into the act with youth scholarships in India. Under the scheme, the airline provides 20 scholarships for a two-year period at a nominal cost of Singapore $22,000 (about Rs 2.6 lakh). The idea is to build a team of achievers in India who will feel a strong loyalty towards Singapore Airlines. This is the first time it is offering scholarships outside its base.

IMPERFECT TEN

THE dilemma for India's economic planners has always been straightforward: how to square off the need for growth without letting go social justice. But rightwingers have always held that it's futile to think about laws to distribute the economic cake. They now have world opinion on their side. In a recent survey by the Geneva-based World Economic Forum, India figures at the bottom of the heap in terms of economic priorities (see chart). The Forum's *World Competitiveness Report 1991* says the Indian Government's economic policies have tilted towards distribution of wealth rather than favouring investment and growth. In a field of 10 select Third World countries, India ranked No 10. Predictably.

Chart by B.K. SHARMA



CITI-TECH

SET up by Citicorp, the US parent of Citibank NA, Citicorp Overseas Software Ltd (COSL), based in Santa Cruz Electronics Export Processing Zone, has now spawned a company of its own: Citicorp Information Technology Industries Ltd (CITIL). To be based in Bangalore, this company—40 per cent of the equity is owned by COSL, but officials are chary about revealing who owns the remainder—will concentrate on developing software for the local banking sector, unlike its associate company, which exports almost all its wares. To be headed by a management team drawn from both COSL and outside computer professionals, CITIL has hit the ground running. It already has 50 professionals on its rolls, and is currently doing work for the New Bombay-based Unit Trust of India Institute of Capital Markets. The Bangalore unit has also received an export order of Rs 6 crore.

INDUSTRY

The Corporate Crunch

Starved of cash and raw materials, companies are concentrating on cash management along with production and inventory control.

TO say that the Indian economy is looking square in the face of a recession might be overstating the case a bit. But one thing is for real: India's corporate sector, which has been in the pink of health in the past, recording hefty profits as it cruised through the 1980s, is now running into some pretty rough weather.

Figures for the financial year ending March 1991 reflect the glory days. An *Economic Times* Research Bureau analysis of bottom lines for 700 top-rung companies shows that sales were up 18 per cent over the previous year, gross profit by 23.5 per cent and net profit up by an impressive 35.9 per cent. All this despite persistent fears that increased fuel costs and the Gulf crisis would queer the pitch.

But this year's results are likely to bring the dream period to an end. From most accounts, the corporate sector is in for a nightmare, even if the Government eases up on import curbs and the credit squeeze. Says Nusli Wadia, chairman, Bombay Dyeing: "The impact of the all-round squeeze in the past few months is going to be reflected in the results of the current year."

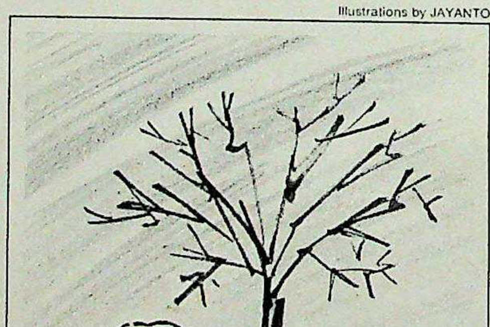
With corporate chiefs realising this, fire-fighting and damage control have commenced in right earnest. The two areas that most companies are concentrating on are cash management along with production and inventory control. "Profitability is not going to be the main issue," says Humayun Dhanrajgir, managing director, Glaxo India Ltd. He goes on to add: "Managing cash resources is."

But it won't be easy. Eating less is often suggested as a cure for bad dreams, but companies never thought in their worst nightmares that they would have to starve.

HARD CASH

BEAN-COUNTERS are calling the shots in executive suites these days, as the RBI's policy of making money tougher to get and raising margin money requirements for imports, bites deeper into company cash piles. Today, when the corporate law is to stay liquid, anything goes. Mostly, it doesn't work, and if it does, there is a price to pay.

Illustrations by JAYANTO



Calcutta-based Albert David has met the financial crunch by borrowing money from financial institutions against sanctioned working capital loans—but at a high cost. Call money market rates, which banks charge to lend money to one another, are still around 35 per cent. And as banks are charging their customers interest rates higher than what they charge each other, and demand is high, corporate borrowers have to take whatever banks dish out. Says M.L. Khetan, senior vice-president and financial controller, of Albert David: "This will ultimately reflect on profits."

In some cases, working capital has decreased so much that companies are forced to delay payments to keep themselves going. For instance, Ahmedabad-based Arvind Mills has seen its working capital shrink by Rs 16 crore. "We are somehow managing the shop by delaying payments," says Managing Director Sanjay Lalbhai. Arvind's Rs 112-crore modernisation plan has been stalled mid-way because of capital goods import curbs.

With the cost of money going up dramatically, both in the short term—a 25-per cent rate of interest, even if the squeeze eases, is expected to be commonplace—and in the longer term, which financial analysts say is certain to follow, interest costs are going to be a major element on the expense side. This means newer companies raising money are also going to be at a distinct disadvantage com-

> "The impact of the squeeze in the past few months is going to be reflected in the results of the current year."
>
> **NUSLI WADIA**
> Chairman, Bombay Dyeing
>
> **The company, like other specialists in the synthetic textiles business, is squeezed by raw material availability.**

> "The only recourse is to come to the office and pray for the first 10 minutes."
>
> **LALIT MOHAN THAPAR**
> Chairman, Thapar group
>
> **Crompton Greaves is facing a raw materials crunch and Ballarpur Industries is losing out on the paper market.**

> "We're literally on a tightrope walk. We are somehow managing the shop by delaying payments."
>
> **SANJAY LALBHAI**
> **Managing Director, Arvind Mills**
>
> **The fabric manufacturing and denim exporting company has seen its working capital shrink by Rs 16 crore.**

> "I don't see prices falling. However, profit margins will definitely be squeezed."
>
> **R. C. BHARGAVA**
> **Managing Director, Maruti Udyog**
>
> **With high-cost car loans cutting into sales, the public sector company has curtailed production of 1000cc cars.**

pared to established ones. The reason: older companies are more likely to have larger assets to use in troubled times.

This trend could change the way Indians look at the corporate sector. Says S.A. Dave, chairman, UTI: "This is probably going to lead to some degree of polarisation on the stock-markets." It's an understated way of saying that the list of corporate survivors could get slimmer with time.

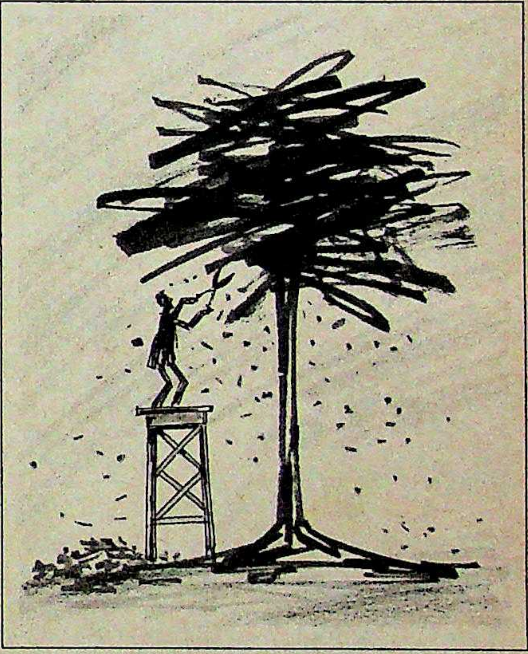
INVENTORY IMBROGLIO

COMPANIES in India which have been practising the art of *kan-ban*, Japanese for just-in-time-inventory-control, are prime candidates for the dog house, particularly for imported components. And if the economic downturn continues into the year, many organisations will have to close down some lines of production, till things improve. The result could be that while the first-half results for 1991-92 may be okay—propped by inventories gathered before the government squeeze took hold—performances in the second half could go through the floor.

With industry unsure about government policy and cash being billed as the "scarcest commodity for the next two years", the only recourse, says Thapar group head Lalit Mohan Thapar, is to "come into the office and pray for the first 10 minutes". But prayer is no substitute for raw materials. For instance, in the drugs, pharmaceutical and chemicals sector, a single missing component in a formulation means the absence of correct chemistry. And business. With just enough stocks to last till June—Cadila Laboratories, the country's third largest pharmaceuticals company, is going in for selective production.

Cadila imports raw material worth Rs 2.5 crore a month. It takes two months before the deposit is refunded which means the company will now have to keep at least Rs 10 crore rolling so that the cycle runs till such time the Government lifts the curbs. Besides, local suppliers of raw material, who earlier gave three months credit, now want cash on delivery while Cadila's stockists want credit. The company simply hasn't the cash to handle it all. Says I.A. Modi, Cadila's managing director: "I have stopped thinking about it as I get nightmares."

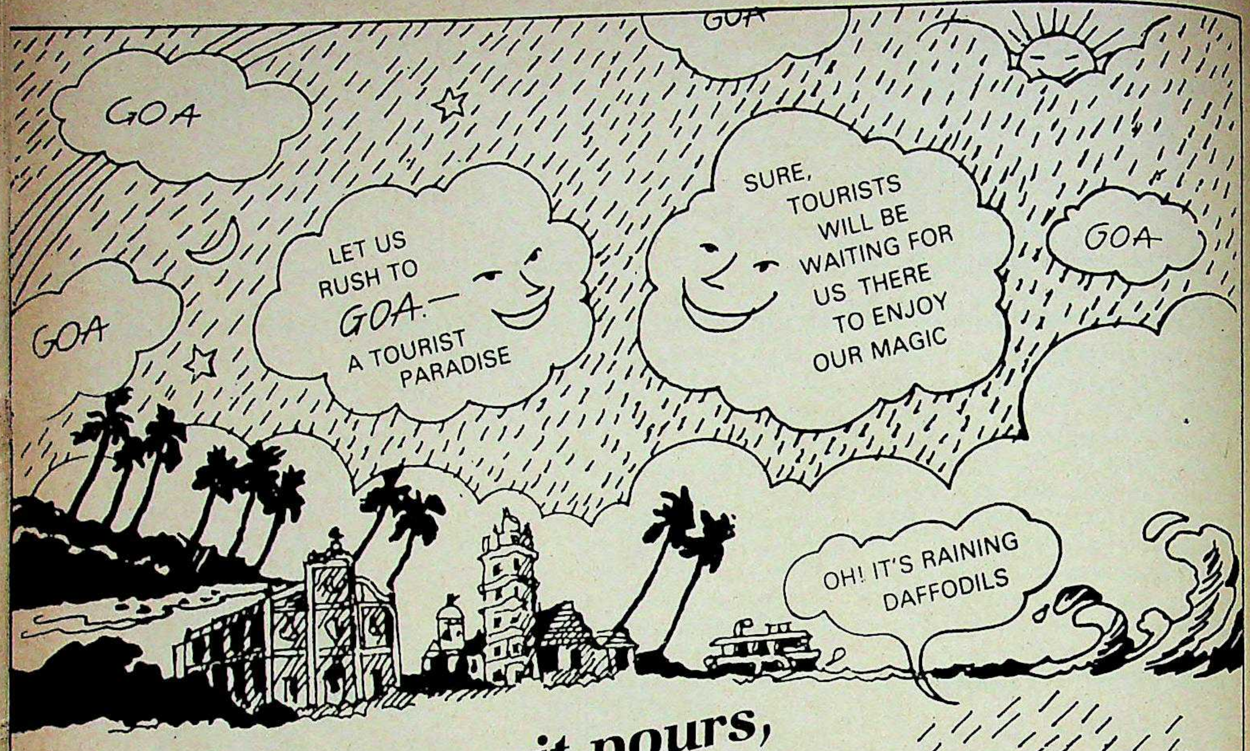
Even industries with stocks are nervous. The tyre industry, for instance. It imports up to 30 per cent of its raw material and if curbs continue even for three months more, inventories will disappear and production will be hit. "And if tyre production stops," says Philip Eapen, executive director (marketing), MRF Ltd, "it's our transport industry that will be hit."



LEAN & MEAN

WITH fears of a recession, weak revenue, continuing curbs and higher taxes in the budget, the one thing that companies are trying to do as hard as maintaining credit flows and inventories is cutting costs. "I love it," says Vinay Rai, chairman and managing director, Usha Rectifier. He has re-evaluated stocks he junked and ended up saving Rs 2 lakh. The company has frozen recruitments and instead, staff for new projects is being culled from existing divisions. Instead of buying new space, offices are being redesigned. Apart from these measures, all executive expense accounts have been reduced. "It's incredible how much you can increase your efficiency," says Rai, "when you're in a crisis."

Others are also in the cost-cutting game, though not exactly with Rai's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"I can clearly see a postponement in the purchases for big-ticket items in the future."

MIKE KHANNA
Chief Executive, Hindustan Thompson Associates

India's top advertising agency hasn't felt the squeeze yet, but smaller agencies are seeing payment delays.

"I have just stopped thinking about it altogether because it just gives me nightmares."

I.A. MODI
Managing Director, Cadila

The country's third largest pharmaceuticals company is squeezed by import curbs and depleted stocks.

gleeful attitude. For example, Jagdish Jhaveri, managing director of Televisions and Components Ltd, manufacturers of Crown TV, has applied brakes on his Rs 2-crore expansion plan for full-scale manufacture of home appliances. Furthermore, he has retrenched 130 out of 700 workers. And, company executives don't travel by air anymore. "We are trying to cut down wherever we can," says Jhaveri. "For example, myself and my son used to go to the factory in different cars. Now we both use one car. It saves Rs 2,500 a month."

TV manufacturers are also finding themselves in a squeeze with the recent increase in component costs—colour picture tube prices have gone up by 34 per cent, and of other components by 5-10 per cent—an increase that the industry has not yet passed on to consumers. Industry sources insist that about 25 per cent of units have already shut down and 10,000 workers, one-tenth of the total employed in this sector, have been retrenched.

With most industries in a belt-tightening mode, the 'discretionary spending' industries—including service industries such as advertising and hotels—which thrive on a healthy corporate sector are also heading for trouble. Companies and advertising agencies alike are reluctant to discuss slashing of advertising budgets. However, in private, they admit to fairly drastic cuts. For example, many air-conditioner manufacturers have reduced advertising, strapped for cash with institutional sales being held back. Customers are reluctant to clear large bills right now.

Synthetic fabric makers have lowered advertising budgets, citing the high cost of import of raw materials. The same goes for producers of bicycles. And, if consumer purchases drop with an increase in prices—as is naturally expected—the situation could get even worse. Says Mike Khanna, chief executive, Hindustan Thompson Associates, the country's top advertising agency: "I am amazed at the buoyancy in the packaged goods sector, but can also clearly see postponement of purchases for big ticket items."

However, cost-cutting—both by industry and its consumers—is in no way proportionate to the magnitude of the problem, say analysts. Till the main culprit for the shape that the country is in now, the Government, disciplines its own expenditure.

NOT ALL BAD

DESPITE the heartburn, people are looking for ways—and in some cases, making money—out of the mess. For instance, automobile finance has suddenly become very expensive, with loan companies doubling interest rates and upping down-payment amounts. While this will lead to a drop in demand by up to 40 per cent for cars, tractors, and light commercial vehicles, Maruti Udyog is already thinking ahead. To offset depressing trends—in May, the company sold 1,750 1000cc cars, but till mid-June it had sold only 190, thanks to expensive credit—Maruti plans to cut back on domestic sales. Instead, it will earmark more cars for hard currency exports. A prudent move. "I don't see (domestic) prices falling," says R.C. Bhargava, managing director, Maruti. "However, profit margins will definitely be squeezed."

Raunaq Singh, for example, whose flagship company Apollo Tyres showed a Rs 30-crore profit for 1990-91, is even bailing out the odd bank it is strapped for cash, by lending them funds at high call money rates. "I have not been affected at all," insists Singh.

Rahul Bajaj is another businessman bullish about the economy, or to be more precise, about his two-wheeler empire. These are businessmen who believe in the strength of India's economy and feel buttressed by the reasoning that a second loan from the IMF is a certainty. Others, such as Great Eastern Shipping Chairman Vasant Sheth, are ruled by freight orders from abroad, and aren't really yet affected by policies at home. "I have always believed that cash is king," says Sheth, "and we are pretty liquid."

There are no arguments against cash being king. In fact, this statement is being proved correct, mercilessly, in boardrooms across the country and in market-places. The point is, how long will people be able to stay liquid: bad cash flows can kill kings too.

—SUDEEP CHAKRAVARTI,
SHIV TANEJA, UDAY MAHURKAR
and GAYATRI BHANDARKAR
with bureau reports

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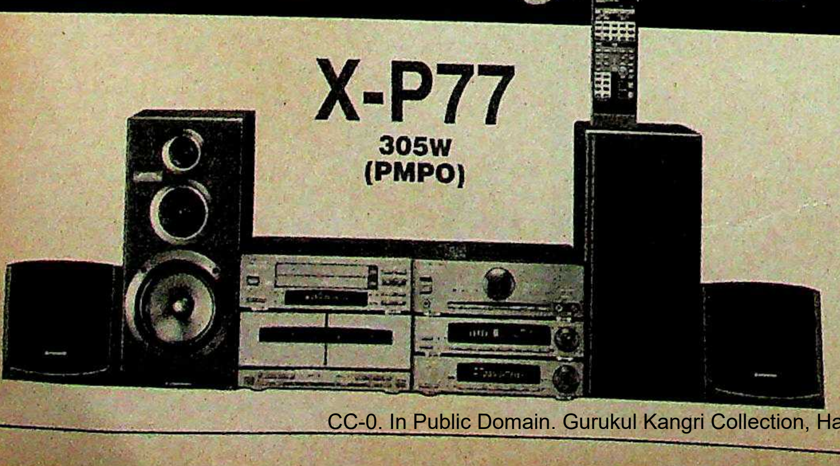

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Incentive amount, at the following rates will be remitted separately for early subscribers.

APPLICATION RECEIVED DURING THE PERIOD	INCENTIVE FOR EVERY RS. 1000 OF SUBSCRIPTION RETAINED
17th June to 30th June, 91	Rs. 20
1st July to 15th July	Rs. 15
16th July to 31st July	Rs. 10
1st Aug. to 15th Aug.	Rs. 5
16th Aug. to 31st Aug.	Nil

There are many good reasons to invest in Ind Sagar and Ind Moti. And now there's one great reason to invest immediately. A special incentive for those who apply early. Ind Sagar Capital Gains Scheme offers 60% tax exemption on gains and a 3 year buy back option or listing. Ind Moti on the other hand offers annual returns over five years. Both schemes offer easy transferability, liquidity and tax benefits. So why wait, when the early bird gets the incentive.

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Mutual Funds investments are subject to market risks. Past performance is not necessarily an indication of future results.

04:203

HMV

Ka Khazana

THE GOLDEN COLLECTION
MOHD. RAFI
◂4 CASSETTE PACK▸

The Golden Collection - Mohd. Rafi : 'O Duniya Ke Rakhwale', 'Jab Pyar Kisise Hota Hai', 'Bar Bar Dekho', 'Yeh Duniya Yeh Mehfil', and such songs are unforgettable. The magic of Mohd. Rafi now captured in a new 4 cassette pack which features 52 great songs.

THE GOLDEN COLLECTION
GEETA DUTT
◂4 CASSETTE PACK▸

From their treasure chest HMV this month brings you nostalgia. The best of Geeta Dutt, 58 great songs including ever popular numbers like 'Mera Naam Chin Chin Choo', 'Waqt Ne Kiya Kya Haseen Sitam', 'Mera Sunder Sapna Beet Gaya', 'Aye Dil Mujhe Bata De'.

DUETS FOREVER

LATA MANGESHKAR AND HEMANT KUMAR
◂2 CASSETTE PACK▸

The 2 cassette pack that you've been waiting for... 27 duet songs by Lata Mangeshkar and Hemant Kumar. Include 'Chhupa Lo Yun Dil Mein', 'Yaad Kiya Dil Ne', 'Tumhen Yaad Ho Ga'.

ALL TIME GREATS

NOOR JEHAN ◂2 CASSETTE PACK▸

A double cassette pack of 28 songs by the melody queen of yesteryear – Noor Jehan. 'Aawaz De Kahan Hai', 'Jawan Hai Mohabbat', 'Aandhiyan Gham Ki Yun Chalin', to name just a few.

ALL TIME GREATS

SALIL CHOWDHURY
◂2 CASSETTE PACK▸

'Toote Hue Khwabon Ne', 'Main Ne Tere Liye', 'Jago Mohan Pyare', 'Rajnigandha Phool Tumhare', these and many other great numbers have come to us from Salil Chowdhury. This month HMV releases a double pack featuring 21 unforgettable songs bearing the stamp of Salil Chowdhury's genius.

OTHER RELEASES : 'Dard Bhare Geet' Lata Mangeshkar * Lata/Asha sing together * 'Mil Ke Bichhad Gayeen' & other hits of Ameerbai Karnataki.

FIRST TIME ON AUDIO CASSETTE : Boot Polish(1954) * Ragini(1958) * Abhinetri(1970).

HMV
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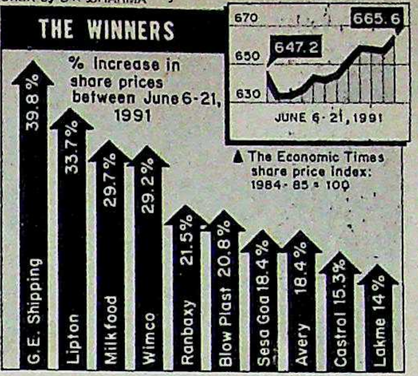
THE MARKETS

Moving Up

Investors regain confidence

THE fact that the Congress(I) doesn't have an absolute majority had little or no negative effect on the stock-markets around the country last fortnight. On the contrary, they were upbeat. The general perception was that a Congress(I) government, with P.V. Narasimha Rao as prime minister, is the answer to the country's economic and financial ills. This was reflected in most indices, with investors returning to the markets. On June 20, the Bombay Stock Exchange (BSE) 30-share Sensitive Index scaled a new peak for 1991—1,341.58—before closing the session at 1,336.75. A day later, with ministers sworn in—though there was no Pranab Mukherjee in the Cabinet but happily for the markets, Manmohan Singh was included—the BSE Index hit 1,361.7. Even *The Economic Times* Index of ordinary share prices climbed by 6.9 points on June 21 to close at 665.6.

Chart by B.K. SHARMA



▲ The Economic Times share price index: 1984-85 = 100

Most of the pivotals were up with Telco advancing further from Rs 238.25 to Rs 248.75 on renewed speculation. In late kerb deals it was quoted higher at Rs 250. Tata Steel also advanced up by Rs 5.5 to Rs 194. Reliance Industries was another gainer, moving up by Rs 1.50 to 154 in a day, and was quoted higher on kerb deals. Larsen & Toubro, however, lost Rs 4 to settle at Rs 112. Cash scrips by and large ruled steady, with modest gains, while companies with a strong export presence registered some gains as well. Typically, the optimists—currently outnumbering the pessimists—predict that the stock-markets are ready for another bull run, even up to the 1,500 mark on the BSE Index.

The steadiness of the markets in the past few months—the worst period economy-wise—has raised some queries. How sound are the markets? Do they accurately reflect the financial trends of the country? Are scrips overpriced? The fact that during the past few months, the BSE Index has ruled within a 100 point band with a floor of 1,250 is worth considering. Says one banker: "The stock-market is controlled by a few bulls, who don't really want to hear the bad news."

With over Rs 700 crore raised on account of the equity linked saving schemes of various mutual funds headed to a common destination—equities and convertible debentures—there is too much money chasing too few scrips. Also, with money seeking the highest returns, surplus funds from sluggish markets have moved to the stock-markets to increase demand. Says S.A. Dave, chairman, Unit Trust of India: "In the recent past, the best returns on investment have come from the stock-markets."

With an assumed safety level formed at the 1,200 mark on the BSE, the markets appear set to let the good times roll on, at least till this year's first-half corporate results are in.

ACTIVE STOCKS

	1991 HIGH	1991 LOW	CLOSE 21.6.91	Change in Fortnight
Ashok Leyland	162.50	109.00	149.00	1.00 –
Associated Cement	2780.00	1300.00	2625.00	50.00 +
Asian Paints	267.50	215.00	242.50	6.25 +
Atlas Copco	89.00	42.00	73.00	1.00 +
Bajaj Auto	680.00	500.00	615.00	20.00 +
Baroda Rayon	630.00	400.00	515.00	40.00 +
Bata India	93.00	72.00	82.00	3.00 +
Ballarpur	309.00	228.00	280.00	9.00 +
Birla Jute	293.00	168.00	280.00	11.00 +
Blow Plast	145.00	40.00	145.00	25.00 +
Bombay Dyeing	245.00	150.00	225.00	15.00 +
Britannia Ind.	152.00	112.00	142.00	1.00 +
Brooke Bond	152.00	116.00	140.00	1.00 +
Cadbury India	187.50	132.50	161.25	3.25 +
Castrol India	335.00	162.50	330.00	20.00 +
Century Textiles	5425.00	3625.00	5380.00	200.00 +
Colgate Palmolive	338.75	250.00	303.75	3.75 –
Cyanamid	142.50	76.25	132.50	3.75 +
DCM	300.00	123.00	215.00	3.50 +
Dunlop	61.00	46.50	58.00	3.50 +
E.I. Hotels	52.00	35.00	40.00	3.00 +
Escorts	172.00	127.00	152.00	nil
Finolex Cables	260.00	140.00	232.50	21.25 +
Garware Nylon	43.75	27.00	29.00	1.00 –
G.E. Shipping	58.00	25.00	58.00	16.50 +
G.S.F.C.	217.50	150.00	203.75	6.25 +
Grasim Ind.	261.00	167.50	257.50	13.50 +
Guj. Ambuja Cement	180.50	90.00	177.50	13.50 +
Hind. Aluminium	277.50	200.00	262.50	1.25 +
Hind. Ciba	1300.00	650.00	1180.00	10.00 –
Hindustan Lever	180.00	140.00	167.50	9.50 +
Hindustan Motors	25.75	18.80	22.70	1.00 +
Hoechst	3650.00	2450.00	2450.00	350.00 –
ICI	57.00	30.00	54.50	0.50 +
Indian Organic	47.50	30.00	38.50	0.50 +

	1991 HIGH	1991 LOW	CLOSE 21.6.91	Change in Fortnight
Indian Rayon	137.50	162.50	330.00	20.00 +
Ingersoll-Rand	385.00	240.00	315.00	5.00 +
ITC	170.00	99.00	165.50	0.50 –
J.K. Synthetics	42.00	27.00	32.50	0.50 +
Kinetic Engineering	190.00	150.00	172.50	7.50 +
Kirloskar Cummins	156.25	95.00	135.00	4.00 +
KSB Pumps	225.00	160.00	195.00	nil
Larsen & Toubro	140.00	90.00	114.50	4.50 +
Lipton	135.00	57.50	131.00	33.00 +
LML Ltd.	37.50	21.00	25.00	2.00 +
M&M	82.50	60.00	71.25	nil
Mastershares	38.00	20.00	35.50	0.50 –
Motor Industries	1350.00	675.00	1310.00	115.00 +
Mukand Ltd.	215.00	155.00	163.75	2.50 +
National Organic	1400.00	925.00	1200.00	10.00 +
Nestle India	152.50	111.25	140.00	2.00 +
Nirlon	25.00	16.00	21.50	1.00 –
Orkay Silk Mills	34.25	17.50	29.25	3.50 +
Peico Electronics	95.00	53.00	72.50	1.50 +
Premier Auto	57.00	30.00	46.00	0.50 –
Raymond	180.00	110.00	161.50	0.50 –
Reckitt & Colman	277.00	205.00	268.00	4.00 +
Reliance Industries	163.75	91.25	154.00	12.50 +
Siemens India	151.00	112.50	140.00	7.50 +
Shaw Wallace	123.00	77.00	123.00	4.00 +
Shriram Fibres	44.00	33.00	43.00	0.25 +
SKF Bearings	2825.00	1650.00	2275.00	150.00 –
SPIC	65.00	33.00	60.00	2.50 +
Tata Steel	197.00	170.00	194.00	20.50 +
Telco	255.00	142.50	248.75	26.25 +
Titan Watches	93.75	68.00	83.00	0.50 +
Vam Organic	171.25	102.50	166.25	9.75 +
Videocon Int.	285.00	180.00	197.50	7.50 –
Voltas	125.00	92.50	120.00	nil
Wimco	31.50	16.00	31.00	7.00 +

WORLD VALUE OF RUPEE

COUNTRY	CURRENCY	UNIT	TT Selling Rates Rs	TT Buying Rates Rs
Australia	Dollar	1	16.1864	16.0189
Austria	Shilling	100	168.5477	166.4263
Bahrain	Dinar	1	56.3469	54.7947
Bangladesh	Taka	100	60.6193	59.7902
Canada	Dollar	1	18.5504	18.3672
Denmark	Kroner	1	3.0698	3.0382
Egypt	Pound	1	6.5189	6.4375
France	Franc	1	3.5524	3.4662
Germany	DM	1	12.0773	11.7786
Hong Kong	Dollar	1	2.7440	2.7174
Indonesia	Rupiah	100	1.0926	1.0735
Iran	Rial	100	N/A	N/A
Italy	Lira	100	1.5918	1.6720
Japan	Yen	100	15.4799	15.1057
Kenya	Shilling	1	0.7439	0.7364
Kuwait	Dinar	1	72.3087	69.9545
Malaysia	Dollar	1	7.6093	7.5347
Mauritius	Rupee	1	1.2626	1.2359
Nepal	Rupee	1	0.7395	0.7300
Netherlands	Guilder	1	10.5144	10.4047
Pakistan	Rupee	1	0.8809	0.8654
Singapore	Dollar	1	11.9078	11.7888
Spain	Peseta	1	0.1877	0.1858
Sri Lanka	Rupee	1	0.5160	0.5086
Sweden	Kroner	1	3.2768	3.2424
Switzerland	Franc	1	13.7726	13.6337
Tanzania	Shilling	1	0.0925	0.0912
Thailand	Baht	100	83.4112	81.6590
UK	Pound	1	34.6681	34.4175
USA	Dollar	1	21.1864	20.9864
UAE	Dirham	1	5.7713	5.7121
USSR	Rouble	1	22.7870	22.7847

These rates were supplied by The Bank of Tokyo Limited, New Delhi and quoted between the banks on 20.6.91.

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FOR YOUR TRUST AND
SUPPORT OF
T.T.

EXCELLENT CHOICE

Understands Your Body Best

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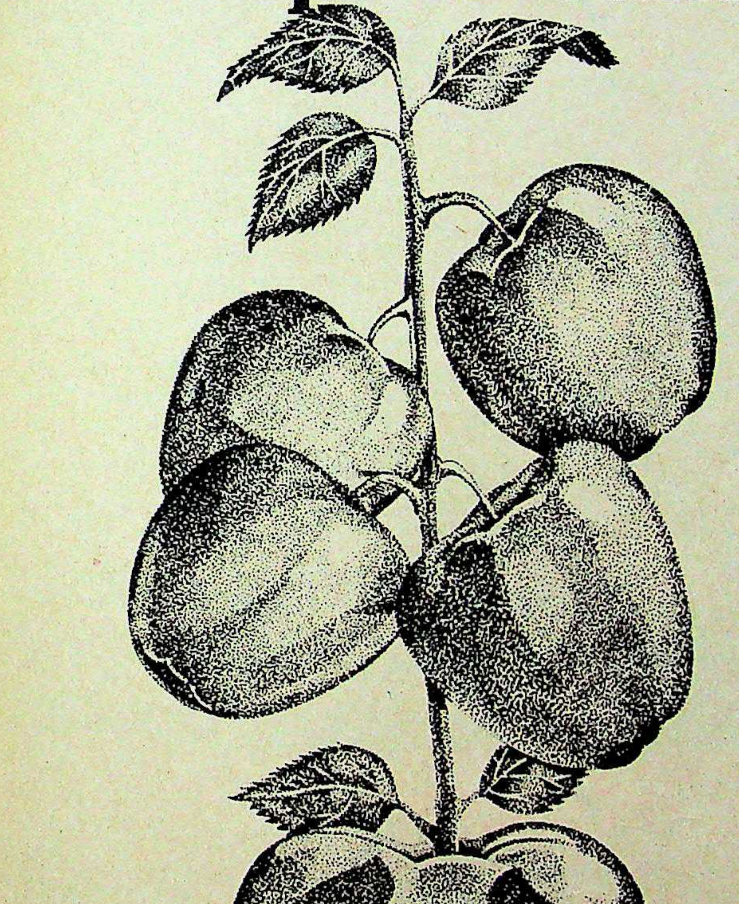
UNDERGARMENTS
UNDERWEAR•BANIAN•BRA•PANTIES•SOCKS•T.SHIRTS

IDBI Capital Bonds An attractive instrument for exemption from Capital Gains Tax.



- Available at par throughout the year.
- Exemption from Capital Gains tax under Section 54E of the Income Tax Act, 1961.
- Exemption from Wealth tax under Section 5(1) (xvie) of the Wealth Tax Act, 1957
- Income tax benefit under Section 80L.
- Interest at 9% p.a. payable half yearly.
- At the investor's option, interest for the full period of 3 years can be paid in advance on discounted basis.
- No deduction of tax at source.
- Outstation cheques accepted and cost of collection will be borne by IDBI.

For further details contact the nearest IDBI office or write to Manager

INDUSTRIAL DEVELOPMENT BANK OF INDIA

IDBI TOWER, Cuffe Parade, Colaba, Bombay 400 005.

Sobhagya-90

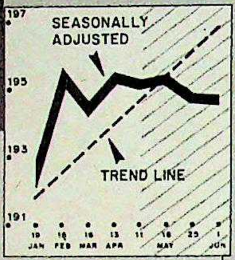
On the face of it, indicators showed a fairly stable trend. However, inflation continued to be high. And exports have not picked up despite a major devaluation of the rupee versus the dollar. This is especially worrying in view of the fact that India's international credit rating has dipped to an all-time low.

All data are seasonally adjusted. Current trends are computed on the basis of six months' (weekly data) or one-and-a-half years' (monthly data) figures.

Wholesale Price Index

1981-82 = 100

Current Trend
7.10% p.a.

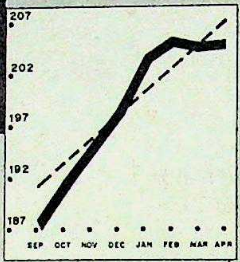


Wholesale prices were stable last fortnight, and the growth rate actually dropped below the double-digit mark.

Consumer Price Index

1982 = 100

Current Trend
12.1% p.a.

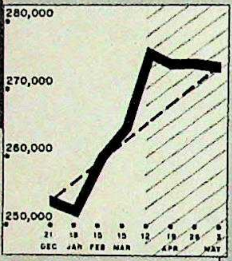


Consumer prices were stable, but this was offset by the fact that inflation remained high.

Money Supply

Rs Crore

Current Trend
21.2% p.a.

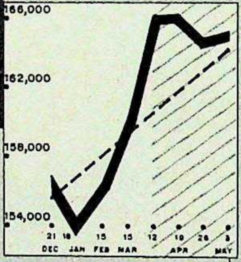


Money supply fell marginally, in a reaction to government policy, but the current rate of growth is still too high.

Commercial Bank Credit

Rs Crore

Current Trend
14.9% p.a.

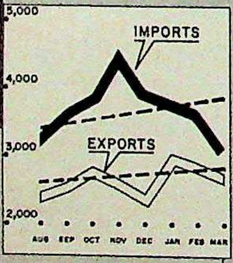


Commercial bank credit first fell, then recovered. However, it was still lower than April levels.

Foreign Trade

Rs Crore

Current Trend
12.5% p.a.
EXPORTS
19.6% p.a.
IMPORTS

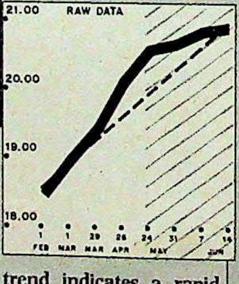


Imports decreased at a rate higher than exports, improving the balance of payments position.

Foreign Exchange Rate

Rs per US $

Current Trend
33.2% p.a.

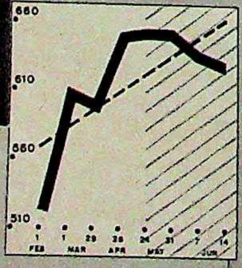


The current trend indicates a rapid devaluation of the rupee, though exports have not responded very favourably.

Share Price Index

1984-85 = 100

Current Trend
41.7% p.a.

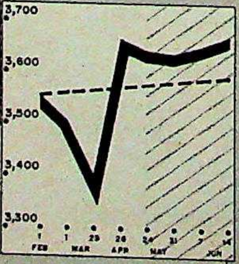


Share prices dipped a little. Political uncertainty created a fair amount of see-saw activity in the share bazaar.

Closing Gold Prices

Rs per 10 gms

Current Trend
2.8% p.a.



Gold prices remained stable, registering a Rs 35 rise over the previous fortnight—not much of a jump, unlike in April.

WHOLESALE PRICES

Growth of items in the 2nd fortnight of May 1991

	% Growth
Betel-Nuts	17.40
Oranges	9.50
Mustard Oilcake	8.68
Fish	8.07
Barley	7.44
Copper & Alloys	4.62
Ball Bearing	3.95
Khandsari	3.93
Cashew-Nut	3.87
Boilers	3.38
Eggs	3.19
Biscuits	2.98
Onions	2.97
Cars	2.80
Arhar	2.72
Gur	2.37
Gingelly Oil	2.23
Silk Raw	1.82
Solvent Extracted Oil	1.61
Cement	1.60
Tractors	1.46
Jowar	1.43
Jute Textiles	1.40
Cotton Cloth	1.36
Gingelly Seed	1.27
Coffee	1.25
Vanaspati	1.23
Mustard Oil	1.22
Milk	0.93
Chillies	0.87
Cotton Seeds	0.84
Cotton Raw	0.83
Turmeric	0.79
Diesel Engines	0.77
Butter	0.77
Ragi	0.69
Ghee	0.59
Wheat	0.58
Maize	0.58
Groundnut Seeds	0.53
Rice	0.52
Sugar	0.48
Masoor	0.38
Radio & TV	0.33
Gram	0.30
Dairy Products	0.30
Meat	0.29

Of the 134 series considered, 118 of them with a total weight of 77.234 had a non-negative rate of growth and 16 of them with a total weight of 7.618 had a negative rate of growth.

SELECTED INDICATORS

	1991	1990
Coal Thousand Tonnes, April	15800	14300
Saleable steel Thousand Tonnes, April	787.2	701.2
Cement Thousand Tonnes, April	4375	4127
Fertiliser Thousand Tonnes, April	667.1	566.3
Electricity Generated Million KWH, April	22859	21353

Compiled by THE POLICY GROUP

1991

owth
17.40
.9.50
.8.68
.8.07
.7.44
.4.62
.3.95
.3.93
.3.87
.3.38
.3.19
.2.98
.2.97
.2.80
.2.72
.2.37
.2.23
.1.82
.1.61
.1.60
.1.46
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1990

4300

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4127

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1353

GROUP

To the average person, she is losing her sight.

To a Lion, she could still see the world again.

So many young people like her are victims f glaucoma.

Blindness that can be prevented if treated arly.

And every year millions of others, both oung and old, fall prey to eye disorders, ncluding cataract, that often result in lindness.

In their fight against blindness the Lions ave been conducting country-wide eye-care amps.

Providing free check-ups and medical relief o the underprivileged. And averaging 2 lakh ataract surgeries per year, in the past.

Lions has now launched a nation-wide rogramme, 'Sight-First—Lions Conquering lindness', in July 1990.

Setting a phenomenal target of 20 lakh urgeries per year, within the next 5 years.

A task that requires selfless devotion and above that the perseverance and commitment to reach the goal.

But not all understand this.

That's why it has always taken a special kind of person to be a Lion.

Special men and women who share a common concern. A concern for the society in which they have succeeded.

Who realize that beyond the achievements of everyday life is that most elusive object: inner satisfaction.

And who have come together to touch the lives of others less fortunate than themselves.

Needless to say, people like these aren't many.

After all, if everyone in the world had the vision of a Lion, there wouldn't be an average person.

Millions of people make up this wor
But just a few shape it.

LIONS CLUBS INTERNATION

If you wish to extend support to this national cause require more details about Lions Clubs and its activi please contact the nearest Lions Club in your area.

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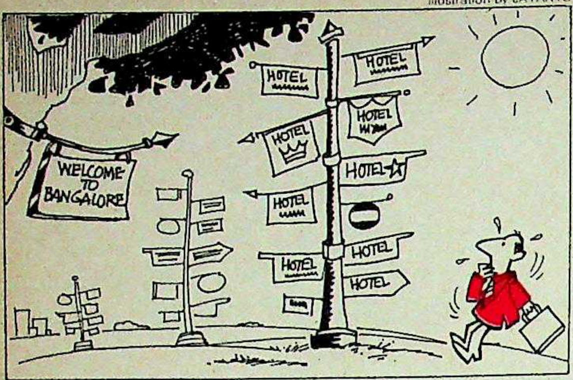

Illustration by JAYANTO

Haute Hotel

■ Come January and Bangalore will have yet another hotel, the Oberoi Bangalore. It will be "the ultimate businessman's hotel", says Jayanti Bhattacharya, corporate public relations chief with Oberoi Hotels. There may be a couple of problems, however. First, Bangalore is packed with hotels constantly upgrading their services and advertising: Welcomgroups's Windsor Manor, the Taj's West End and Residency, the Holiday Inn, and the Gateway—the Taj group's executive effort billed as a top-rung hotel at second-rung prices. Secondly, Bangalore is beginning to lose its business allure as infrastructure hasn't kept pace with growth. But the Oberoi is hopeful that its facilities, which will include butler service, a balcony for each of the 130 rooms and a computerised check-in, will draw guests away from the competition. Unless they are spruced up first.

Time is Money

■ H.S. Jalan's Indana group sold about Rs 150 crore of food products, but could not show a profit. With the dairy industry already in decline, this summer—usually a lean period—found Jalan's plants working at just 15 per cent of their capacity. If he wants to break even, he needs to operate at five times that level. That there is no money is obvious: suppliers have to wait outside his office hoping for payment.

The coming months are not going to be much better. Jalan's delayed Rs 5-crore biscuit project has just started production. A Rs 50-crore granite and sanitaryware project will be completed only by year end. And surprisingly, with cash still difficult to come by, Jalan still talks enthusiastically about a Rs 2,000-crore steel sheet export project for which he is awaiting government clearance. Says he: "What can I do? When we proposed this project three years ago, Indana was doing well." But Jalan is optimistic and he feels he has time on his side. "Government clearances take so long," he says, "that by the time the project comes through, Indana will be doing well again."

PRASHANT PANJIAR

Jalan: ever optimistic

DM Delight

■ Germany-based Otto Versand, one of the world's largest players in the mail order business, is setting up a liaison office in India for the first time. Otto proposes to buy Indian garments and hawk them abroad. So sure is the company of success that it has already put a number on its purchase: DM 85 million (almost Rs 110 crore) this year alone. The company will help Indian exporters with technology and design support. "With Taiwan and the other east Asian countries becoming expensive we thought India is a good place for garments both in terms of price and quality," says Veit Geise, chief executive of Otto Versand International Ltd in India. Geise is fortunate. He will be selling abroad, so he won't have to contend with postal problems and supply glitches the way the Indian mail order business has to.

Peak Pitch

SUMMER SELL

Product	Annual Market Size	Sales Du March-Ju
SOFT DRINKS	Rs 500 Crore	70%
REFRIGERATORS	Rs 780 Crore	40%
FANS	Rs 500 Crore	35-40
ICE-CREAMS	Rs 215 Crore	45%

Chart by PRANAB DUTTA

■ The peak summer sale months may be over *(see chart)*, but the way things are going, companies are looking at autumn as hot-selling months too. And advertising still hasn't slackened. Duke and Sons, a Bombay-based soft drink seller has decided to take on Parle and Pepsi in Delhi, hoping for a 20-per cent market share. Parle is pushing its value-for-money scheme by selling Thums Up for Rs 5 a half-litre—"Our strategy is to push sales per retailer," says Parle boss Ramesh Chauhan—while Pepsi is planning a litre-bottle launch.

Usha International has refashioned its advertising strategy to push technology rather than style. It sends demonstration vans to villages to perk up sales. Polar International, a strong competitor, is hitting back by changing the names of its fans to Alpha, Beta, Gamma, even Newton. On another front, Delhi-based Milkfood is battling Cadbury India's Dollops brand of ice-creams, recently launched in the north, by imitating fruity flavours that brought the chocolate-maker success in Bombay.

Others such as Anchal Bakeri are carving out niche markets. Bakeri's Symphony air-coolers are a runaway success, with sales still strong late into the season and an advertising budget of Rs 2 crore. Says he: "There was an upmarket vacuum in coolers which we have filled up." With the war to woo customers hotting up—even air-conditioner and refrigerator manufacturers stress cool for heated sales graphs—consumers have never had it better.

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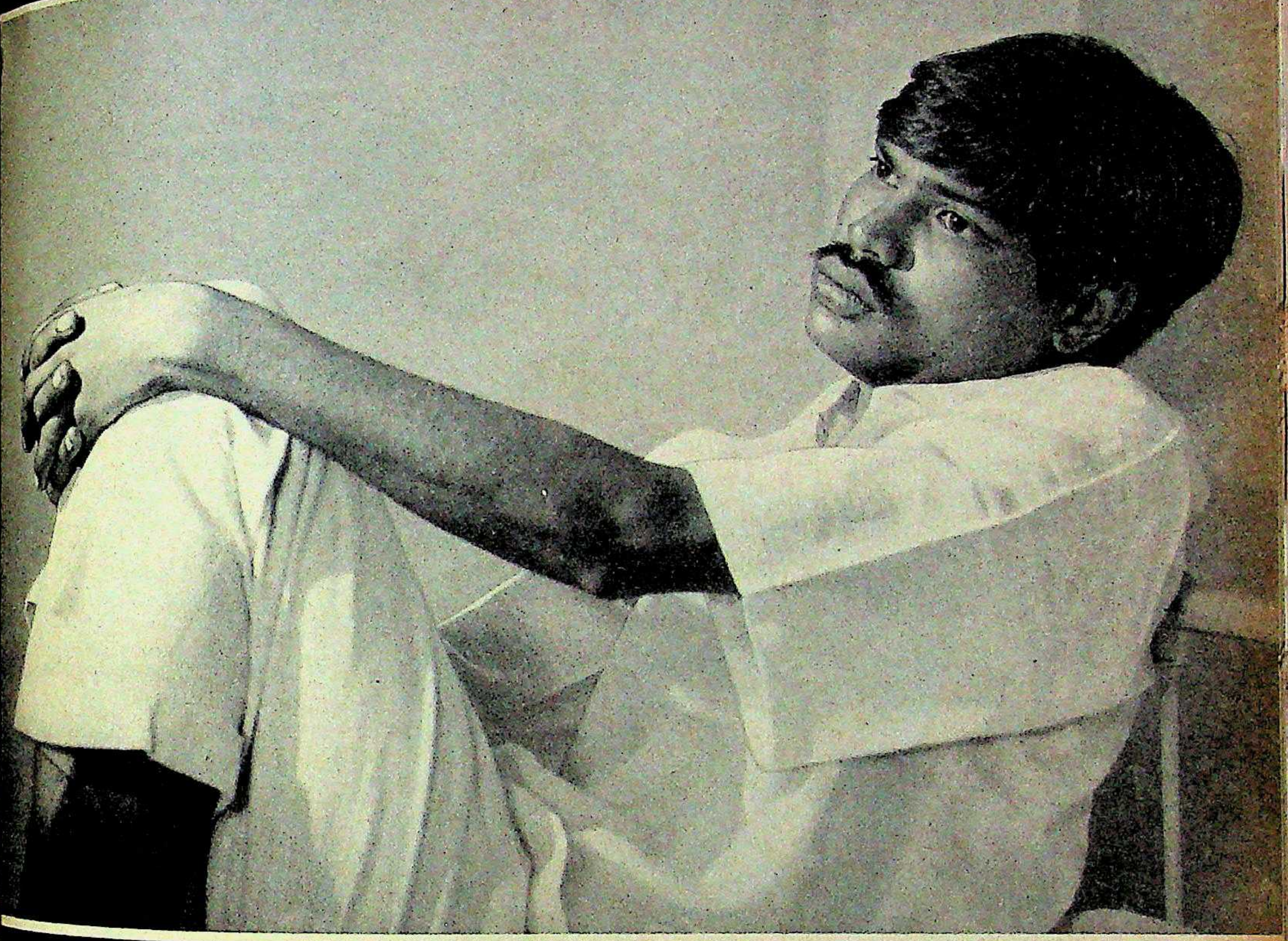
To the average person, he is a social outcast.



To a Lion, he can return to a normal existence

He had leprosy, and society made him an utcast.

Like so many others, even his family ejected him.

Long after he was completely cured. And the social stigma remained.

What he and 4 million other patients in ndia need, is help in the form of medical ssistance and moral support.

And more importantly, the chance to relive heir lives — without the stigma.

After all, both leprosy and the stigma ttached to it, can easily be eradicated. hrough a mass awareness and rehabilitation rogramme.

But not all understand this.

That's why it has always taken a special kind of person to be a Lion.

Special men and women who share a common concern. A concern for the society in which they have succeeded.

Who realize that beyond the achievements of everyday life is that most elusive object: inner satisfaction.

And who have come together to touch the lives of others less fortunate than themselves.

Needless to say, people like these aren't many.

After all, if everyone in the world had the vision of a Lion, there wouldn't be an average person.

Millions of people make up this wor
But just a few shape it.

LIONS CLUBS INTERNATION

If you wish to extend support to this national cause require more details about Lions Clubs and its activi please contact the nearest Lions Club in your area

ssued in the public interest through the courtesy of Kitply Industries Limited — Makers of Kitply

Karishma/LCI/4/9

CONTACT PUBLICATIONS

A Prurient Pitch

Pen-friendships have now taken on a sexual hue

▸ *GOOD-LOOKING, fair-complexioned, broadminded young couple (28/30 yrs) interested in friendship with men (for her), women (for him) and couples (for them) of similar nature to change routine way of life and get total satisfaction and enjoyment.*

▸ *Very attractive, sophisticated, fashionable lady (24 yrs), wishes to share beautiful moments of fun, passion, adventures and fantasies with broadminded males, couples of any age but with total discretion and good understanding. I am married but with hubby abroad.*

SUDDENLY lonely hearts clubs in the country appear to be getting an airing. The fora for these are a burgeoning breed of "social contact magazines", as pen-friendship publications are now known; and the contact they offer has less to do with innocent correspondence and more with sex and spice.

The days of platonic pen-friendship are gone. The search for Mr or Ms Goodbody is no longer confined to the realm of fantasy. Men and women are on the lookout for that extra element to pep up their lives. And for that they want intimate friendship—which could mean anything from casual sex to matrimony.

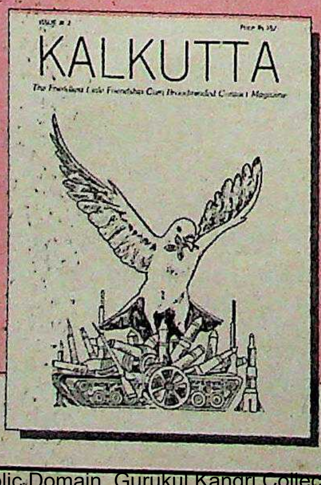
Though the trend was set in June 1979 by *Bombayite*, brought out by Kishore Meswani, a Sindhi NRI, in recent years a host of me-too entrants have flooded the field. Recent examples are *Kalkutta* from Calcutta, *Lonely Heart* from Madras, *Kanungo International* from Cuttack, *Hello Dear* from Ludhiana and *BM-ADs* from Bombay. *Bombayite*, priced at Rs 35, has a circulation of 10,000, while *Kalkutta*, while only in its second issue, had chalked up a figure of 5,000.

The inaugural issue of *Heart Throb* in Calcutta hit the stands in March after a sales campaign that would put some leading consumer manufacturers to shame. "Our publicity drive cost us over Rs 1 lakh," says proprietor-editor Joydeep Mitra. But the prospects do not seem too good, even though its unique section, Attachments, lists phone numbers and addresses of those with more gumption and less discretion. Reason: there is only a single female voice in the inaugural issue. In contrast, *Kalkutta* has been hauling in the booty in bagfuls since its launch in August last year. The magazine's selling point is the numerous advertisements from women. The editors claim that each of them is scrutinised carefully to weed out the "fakes".

Pen-pal magazines: big boom

BM-ADs
The Bombayite
YEARS OF SUCCESSFUL SERVICE TO THE SOCIETY

Sleazy glossies flood the market as lonely hearts look for spice to pep up their drab routine.



Both *Kalkutta* and *Bombayite* reject outright typewritten letters from married women on the somewhat feeble assumption that married women generally do not have access to typewriters. A girl seeking a girl-friend is a dustbin case, since she is assumed to be either a lesbian or a man on the lookout for kinky relief. Most likely the latter. "After all, we are in the business not just for money," says Mitra. "Credibility comes foremost."

Some would question this. None of the magazines pretends to be altruistic. Each advertisement has a code number. Each letter for a particular code is forwarded only if it is accompanied by a postal order or a demand draft. *Bombayite*'s charge is Rs 13, *Kalkutta*'s Rs 9. Add this to circulation and you have quite a bounty.

But even the panting readership of these magazines can't help you if you're too demure or do not have a flair for literary self-exposure. Madhu, in her early 20s, got just two letters in response to her advertisement. No wonder because the hobbies she listed—writing letters, meeting VIPs, watching cricket and eulogising Kapil Dev—hardly held any illicit promise. To save space and perhaps give courage to the shy ones, all the magazines have their own codes, not singularly hard to crack. "RA" means "reply assured"; "CONC" stands for "confidentiality"; and "SASE", strictly for tightwads, means send "self-addressed stamped envelope".

SASE or no SASE, advertisements from women—the more BM (broad-minded) the better—attract men the way nectar attracts bees. And with the way lust and the census are tilted in favour of women (fewer women, more men) these magazines will get more explicit. And smutty.

And as long as one doesn't get a *Sea of Love* scenario where a killer makes deadly use of the swinging singles column, those who want encounters without encumbrances will continue to make the moolah roll in.

—RUBEN BANERJEE

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Juhu Beach, Bombay

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, Frontier Restaurant.
Centaur Hotel Juhu Beach

Exterior – Centaur Hotel
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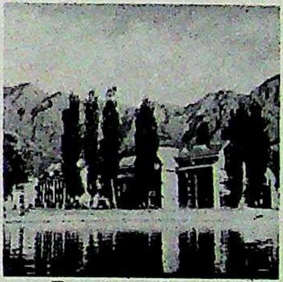
Exterior – Centaur Hotel
Bombay Airport

Health Club –
Centaur Hotel
Juhu Beach



Exterior – Centaur
Lakeview Hotel, Srinagar

• Location • Comfort • Value • Service

CENTAUR
GROUP OF HOTELS

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Centaur Hotel Bombay Airport: 6116660
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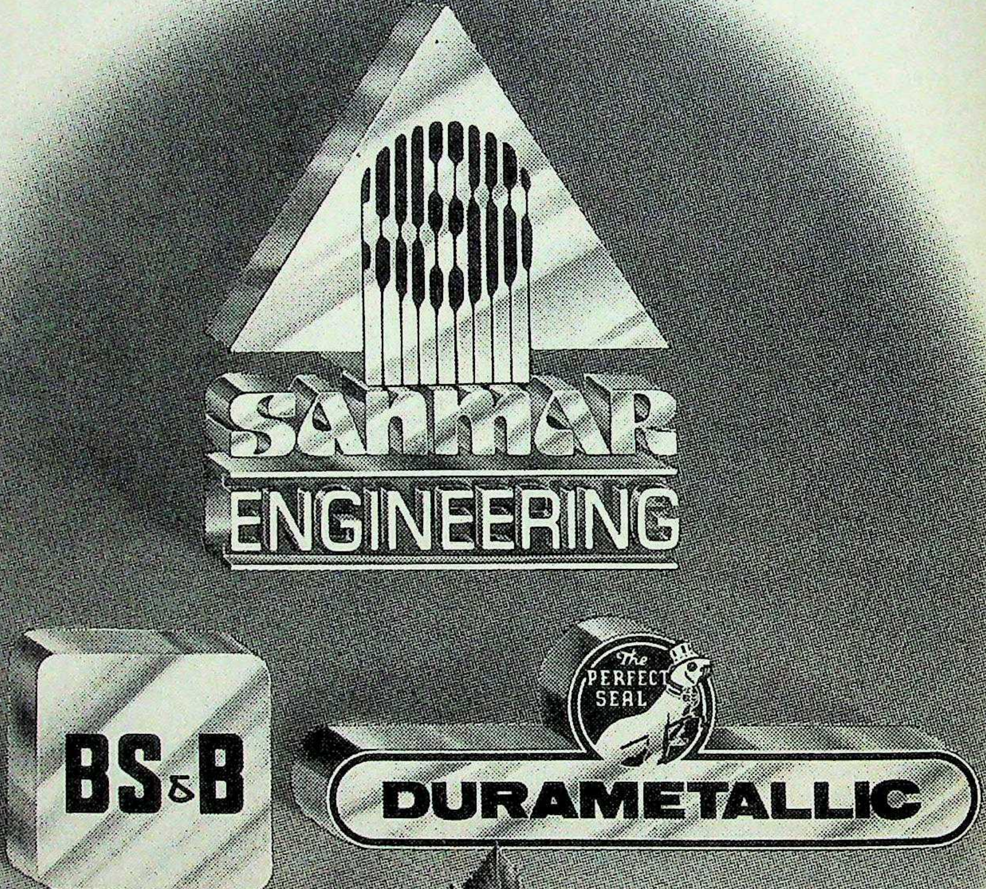
or any Air India booking office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A milestone for BS&B Safety Systems (India) Limited and Durametallic (India) Limited

BS&B Safety Systems (India) Limited and Durametallic (India) Limited, constituent companies of Sanmar Engineering Corporation, today (1st July 1991) complete 10 years and 15 years of service to the Indian Process Industry. Sanmar Engineering Corporation acknowledges their contribution with pride on this happy occasion.

10 years of grit and determination

BS&B Safety Systems (India) Limited was incorporated in 1981 in collaboration with BS&B Safety Systems Inc., of USA, who are the pioneers and undisputed world leaders in the field of Rupture Disks. Growing at a rapid rate in its first decade of operation, BS&B (India) is today the foremost manufacturer of Rupture Disks in the country.

BS&B's name is synonymous with Safety Devices in all process industries worldwide. The Indian industry acknowledges that the technology currently available with BS&B (India) is the state-of-the-art for Rupture Disks used as a safety device. In the 10 years of its existence, BS&B has played a crucial role in the import substitution endeavours of the nation.

15 years of surging ahead

Durametallic (India) in its second decade of operation, continues to surge ahead towards its goal for excellence, by its unmatched service to the Indian Process Industry in the field of Mechanical Seals and Sealing Systems.

Durametallic (India) is in the process of perfecting the concept of "Technology Management" — with continuous acquisition of the latest seal technology from its partners, Durametallic Corporation, USA, world leaders in sealing systems and adapting it creatively to the emerging needs of the Indian Process Industry.

Apart from direct import substitution, Durametallic (India) has contributed significantly to the foreign exchange reserves of the nation through its earnings from the joint venture that it has established in Singapore — Durametallic Asia Pte Limited. Durametallic Asia is one of the shining examples of successful export of Indian know-how and management.

A moment of celebration and pride for Sanmar Engineering Corporation

With 8 different units under its wings, Sanmar Engineering Corporation is one of the most diversified organisations in the process equipment market in India, offering a wide range of products such as Mechanical Seals, Rupture Disks, Fluro-Carbon Lined Valves, Control Valves, Flow Meters, Solenoid Valves, Safety Relief Valves, etc.

On this day of celebration, Sanmar Engineering Corporation salutes its international collaborators, all acknowledged world leaders in their chosen fields – ***Partners in the process of excellence:***

- ★ **Durametallic Corporation, USA**
- ★ **BS&B Safety Systems Inc., USA**
- ★ **Xomox Corporation, USA**
- ★ **Gulde Regelarmaturen GmbH, Germany**
- ★ **Smith Meter Division, Moorco International Inc., USA**
- ★ **Crosby Valve Division, Moorco International Inc., USA**
- ★ **Automatic Switch Co., USA**

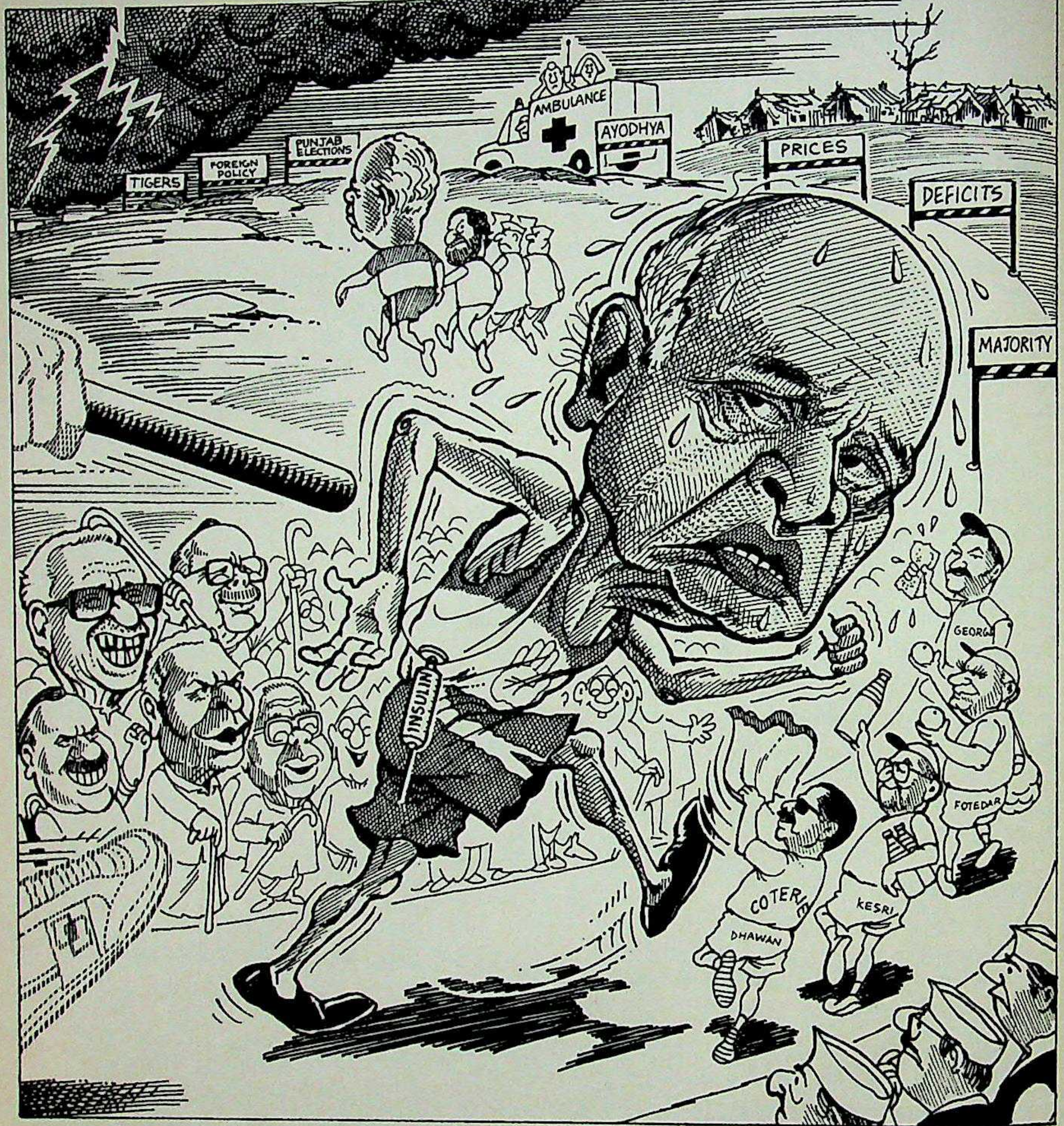
Sanmar Engineering Corporation also extends its warm gratitude to its customers, suppliers, bankers, work force, business associates and to each and everyone who has been associated with it since inception.

Armed with their continued goodwill, Sanmar Engineering Corporation on the completion of 15 years, rededicates itself to the Indian Process Industry.

Sanmar Engineering Corporation. *Constituents:* Durametallic (India) Ltd.
● BS&B Safety Systems (India) Ltd. ● Xomox (India) Ltd.
● Moorco (India) Ltd. ● Asco (India) Ltd.
147 Karapakkam Village, Madras-600 096.

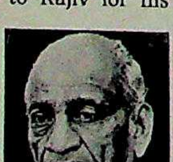
R K SWAMY/BBDO SE 9126

CARTOONSCOPE BY AJIT NINAN



SIGN POSTS

AWARDED: The Bharat Ratna posthumously to Rajiv Gandhi and Sardar Vallabhbhai Patel. The highest civilian honour was given to Rajiv for his vision of the 21st century. Sardar Patel, the first deputy prime minister of India is credited with the merger of 562 princely states with the Indian union.



ESTABLISHED: The Rajiv Gandhi Foundation with Sonia Gandhi as chairperson. The trustees include Rahul and Priyanka Gandhi, Dr Shankar Dayal Sharma and Amitabh Bachchan. The trust will promote activities that were of interest to Rajiv.

◆

SENTENCED: Kirtananda Swami Bhaktipada, a Hare Krishna leader, to 30 years in federal prison in the US, for authorising murder to protect an illegal multi-million dollar enterprise. He is one of the leaders associated with the Hare Krishna temple in West Virginia.

BANNED: By the Pakistan Government, *Kashmir: Behind the Vale*, by M.J. Akbar, which highlights Jinnah's failure in wooing the Kashmiri Muslims.

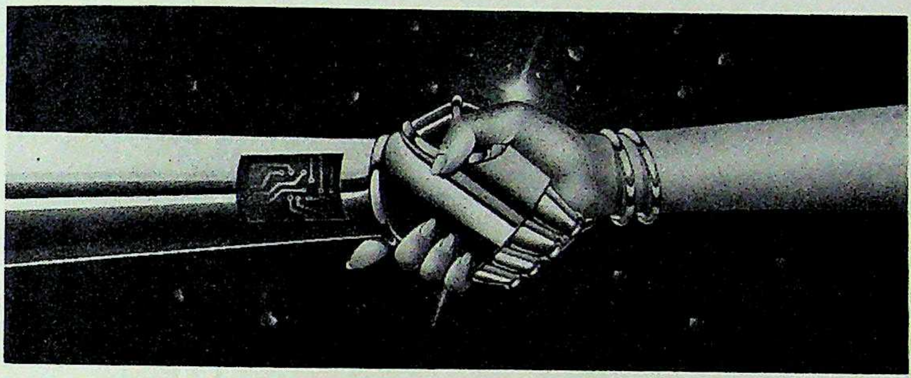
◆

DIED: Suraj Deo Singh, 48, Dhanbad Mafia don and SJP candidate from the Arrah Lok Sabha seat in Bihar. Singh, a close confidant of former prime minister Chandra Shekhar, died in Ballia where he had gone for booth management.

A FEW YEARS FROM NOW, YOU'LL BE GLAD YOU REGISTERED AT TECHNOPARK

Electronics Technology Parks-Kerala. Situated in the lush green environs of Trivandrum. An autonomous body set up by the Govt. of Kerala with the active support of the Department of Electronics, Govt. of India.

TECHNOPARK provides the environment and infrastructure required to set up high technology electronics manufacturing, research, design, development and training establishments.



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Comprehensive facilities. Built-up self-contained modules of 2000 sq. ft. Developed plots of 1, 2, 3, and 5 acres. Continuous power. World class testing facilities. R&D incubator. Pilot production facility. Customs bonded warehouse. Library and information bureau. Banks. Post Office. Auditoria. Conference facilities. Restaurant. Shops. Recreation Centre.

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TECHNOPARK will provide all necessary assistance in obtaining the required clearances and approvals.

If you want to play a role in the electronics industry of tomorrow, register today at **TECHNOPARK.** It's where the future of electronics is.

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Fax : 91-471-60176
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Creating the world's greenest electronics technopolis

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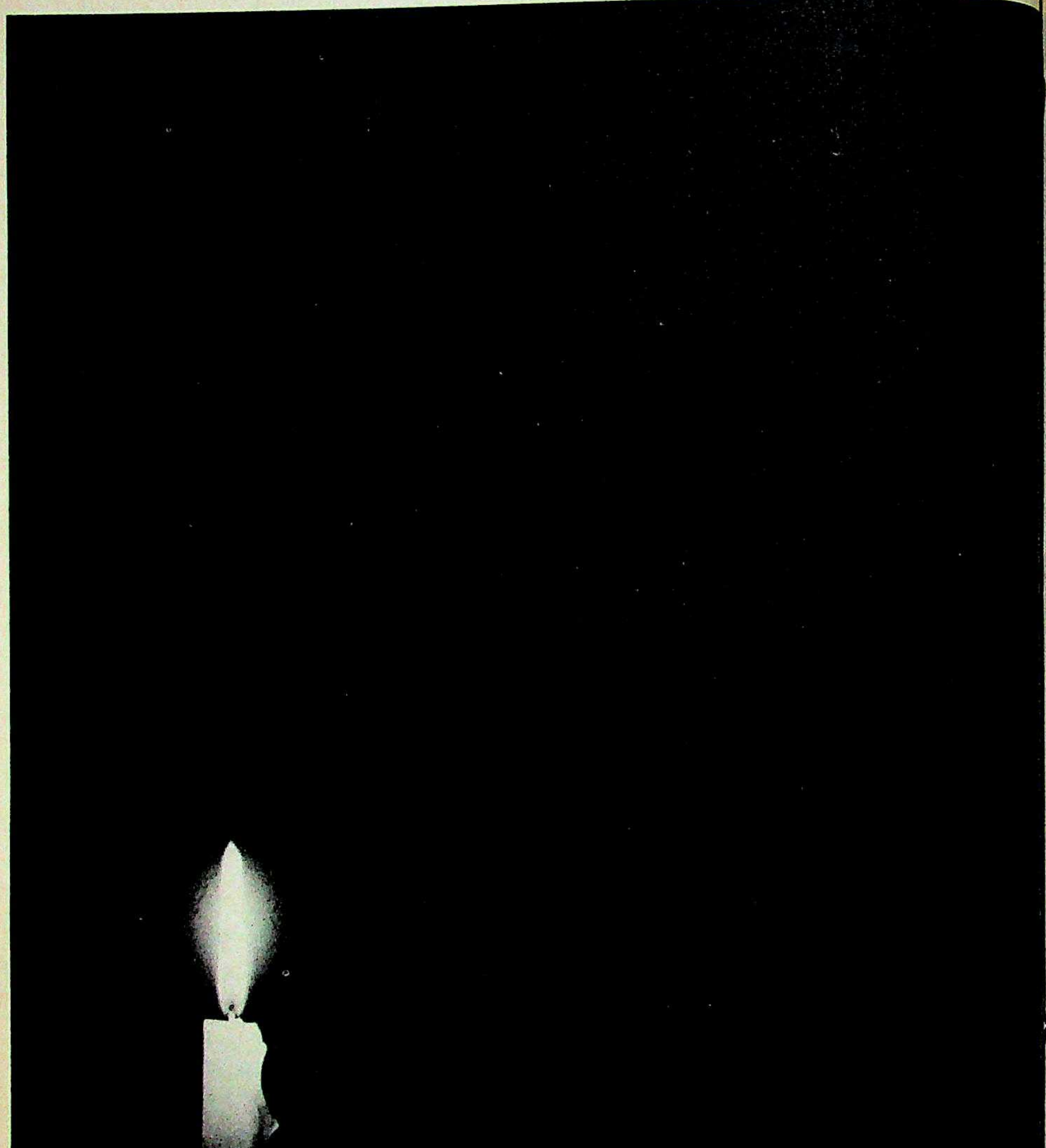


THE DEPARTMENT STORE THAT THOUGHT OF EVERYTHING. EXCEPT THE POWER CUT.

A power cut doesn't just bring darkness. It also brings losses. And the threat of pilferage and robbery.

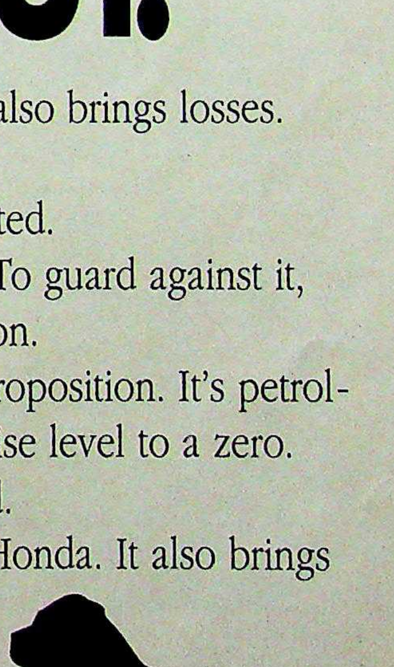
Businesses can be ruined. And homes affected.

So don't ignore the power of a power cut. To guard against it, Shriram Honda brings you the Bulldog protection.

More than a genset, it's a sound business proposition. It's petrol-efficient, portable and engineered to reduce noise level to a zero.

And it's as easy to operate as pulling a cord.

The new Bulldog protection from Shriram Honda. It also brings pictures like this to light.



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PORTABLE GENSETS
THE BULLDOG PROTECTION

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INDO-US RELATIONS

A Sudden Cooling

Issue of additional nuclear devices may sour ties

THE roller-coaster relationship between India and the US had, of late, been more up than down. But last fortnight, it took a sharp dip following a vote in the House of Representatives to provide aid to India only if the US president was able to certify that it was not developing additional nuclear explosive devices—similar to the restrictions imposed on Pakistan.

In the US's unusually complex legislative process, that bill can become law only after the Senate concurs and the president gives his assent to it. With India reacting angrily to the move, senior officials in the US Administration were quick to assert that the likelihood of its actually happening in the coming months was "slim".

Officials in the Indian External Affairs Ministry, however, were more perturbed by the new posture being adopted by the US rather than by the possible loss of the meagre American aid of Rs 44 crore given to India. As a ministry official said: "It is the negative signals that the Americans have been sending out that have been the cause of worry here."

Publicly, the US Administration may have maintained that it was against Congress "micro-managing" its foreign policy. Indian diplomats were, however, informally warned that the country's unyielding stance on the nuclear question may push relations between them into a further slide. There were hints too that growing American cooperation with India on defence projects like the Light Combat Aircraft may dry up.

Much of the blame for the toughening US stand lies at India's door. Hamstrung by the lame-duck outgoing Chandra Shekhar government, Indian foreign policy makers failed to read the warning signals.

The US, in fact, had been more concerned with Pakistan's growing nuclear armament capability. Last year, it had suspended Rs 520 crore of military aid to Pakistan till the US president could certify that it had stopped making additional nuclear devices. Since May, Pakistan's new Government under Nawaz Sharif has been desperately trying to win back US confidence and military aid by making a series of conciliatory statements on the nuclear issue.

In a bid to soften the US stand, Sharif proposed that Pakistan, India, China, the Soviet Union and the US meet to discuss the nuclear non-proliferation issue in the region. It was a proposal that the US had been working on for the past year and had been prodding Pakistan to accept. While China made the requisite consenting noises, much to the US's dismay, India rejected the proposal outright calling it a "propaganda exercise".

Coming just days before Congress was to vote on the aid to Pakistan, Sharif's proposal did smack of diplomatic exigency. It didn't help because Stephen Solarz, the powerful American Congressman and India-backer, got the House of Representatives to vote on continuing the US conditional ban on aid to Pakistan.

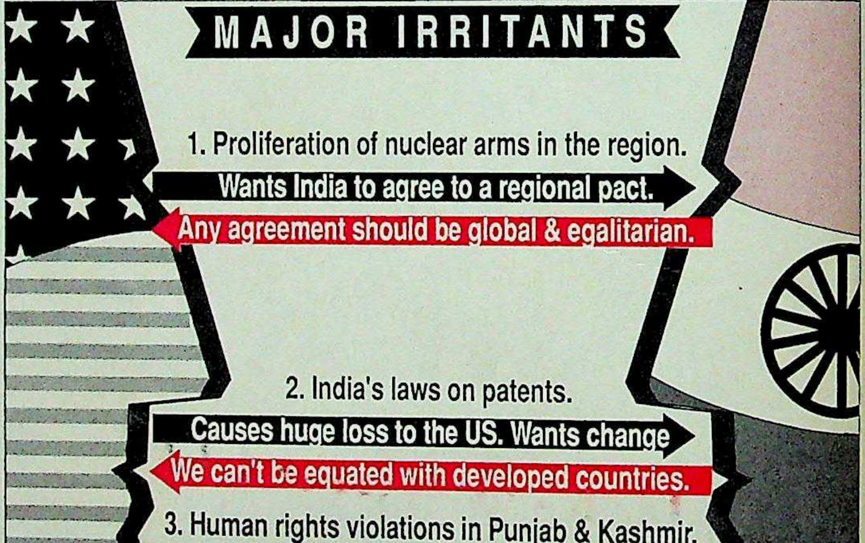
India's glee, however, proved shortlived. In vehemently rejecting Sharif's offer, India had failed to gauge the impact it would have on US policy makers for whom nuclear non-proliferation in the region has gained top priority since the Gulf war. As a senior US diplomat remarked: "Instead of an outright no, the least the Indian Government could have said was that they are examining the proposal." This gave the pro-Pakistani lobby in the US Congress a handle to beat India with. Despite Solarz's warning that it would "create a bad chill in Indo-US relations", the House voted to impose the same nuclear conditions on US aid to India.

That chill may not come about unless the bill becomes law. But in the next few months the new Union ministry would have to iron out several major irritants other than the nuclear issue to prevent the relationship between the two countries from going into 'cold storage' once again.

In April, the US Administration brought India on the Special 301 list that specifies trade sanctions if India does not make moves to modify its laws on intellectual property rights. Also the US has for long cribbed over the large dose of protectionism and government control in the Indian economy and has called for a "radical restructuring". There is growing concern too over India's human rights record in Punjab and Kashmir. Unless the new Government takes rapid steps to work out mutually acceptable solutions to these issues, the bonhomie between the two nations could easily turn sour.

—RAJ CHENGAPPA

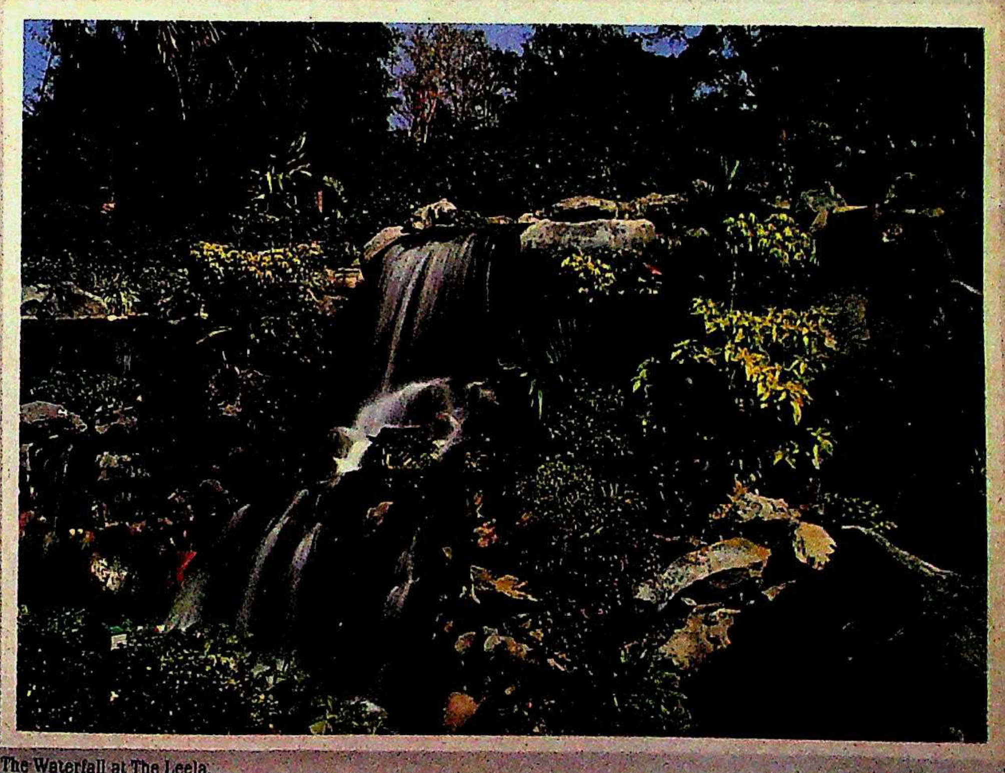
Chart by PRANAB DUTTA


MAJOR IRRITANTS
1. Proliferation of nuclear arms in the region.
Wants India to agree to a regional pact.
Any agreement should be global & egalitarian.
2. India's laws on patents.
Causes huge loss to the US. Wants change
We can't be equated with developed countries.
3. Human rights violations in Punjab & Kashmir.
Deeply concerned about use of force.
What about terrorists killing innocent people.

"Spontaneity is the art of being and becoming. Part inborn and part acquired, it's the one quality that all our people have in common. To make our dream a reality, we chose individuals who were naturally responsive. And groomed them to anticipate your needs, rather than merely fulfil them. The difference is, service to them is a way of expressing care and concern. Come, visit our 500-room dream."

Krishnan Nair

Mrs. Leela & Capt. C.P. Krishnan Nair
Chairman, The Leela Group of Hotels



The Waterfall at The Leela.

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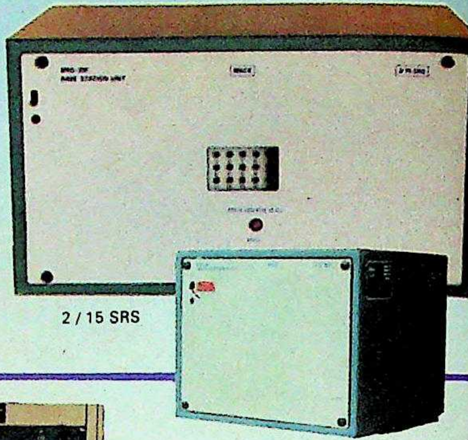
MACE instruments and systems for communication and navigation have earned well deserved accolades from discerning users who would accept nothing but the best. To name a few of them:

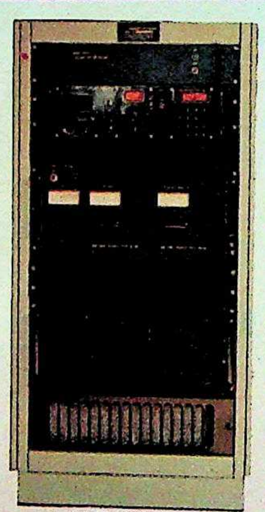
● Coast Guard Headquarters ● Oil & Natural Gas Commission ● National Airports Authority ● International Airports Authority of India Ltd ● Department of Telecommunications ● Defence ● Indian Meteorological Department ● Cabinet Secretariat ● Police ● Irrigation ● Forest Dept. ● State Electricity Boards ● Oil India Ltd. ● Indian Railways



2 / 15 SRS

MAT 100

MAT 20



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SART

EPIRB

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- ★ 1 KW HF Synthesized Transmitter / Transceiver MAT1000
- ★ 1 KW MF Transmitter MMT 4001
- ★ HF Synthesized Communication Receiver MRR 5002
- ★ 2W VHF Transceiver MTR 2L / MTR 2H
- ★ 25W VHF Synthesized Transceiver MTR 25L / MTR 25H

NAVIGATIONAL EQUIPMENTS

- ★ 400W / MF Beacon MRB 400
- ★ X' and S' Band Radar
- ★ Autotrack 2 Display
- ★ MACESCAN 1024 Display
- ★ True Motion Radar Indicator AR 16" Display
- ★ Relative Motion Radar Indicator for AR 16" Display
- ★ Automatic Direction Finder MADF 790
- ★ 406 MHz Emergency Position Indicating Radio Beacon EPIRB
- ★ Search And Rescue Radar Transponder SART
- ★ Radar Beacon Transponder RACON

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- ★ Single Channel VHF System

TRANSMISSION EQUIPMENTS

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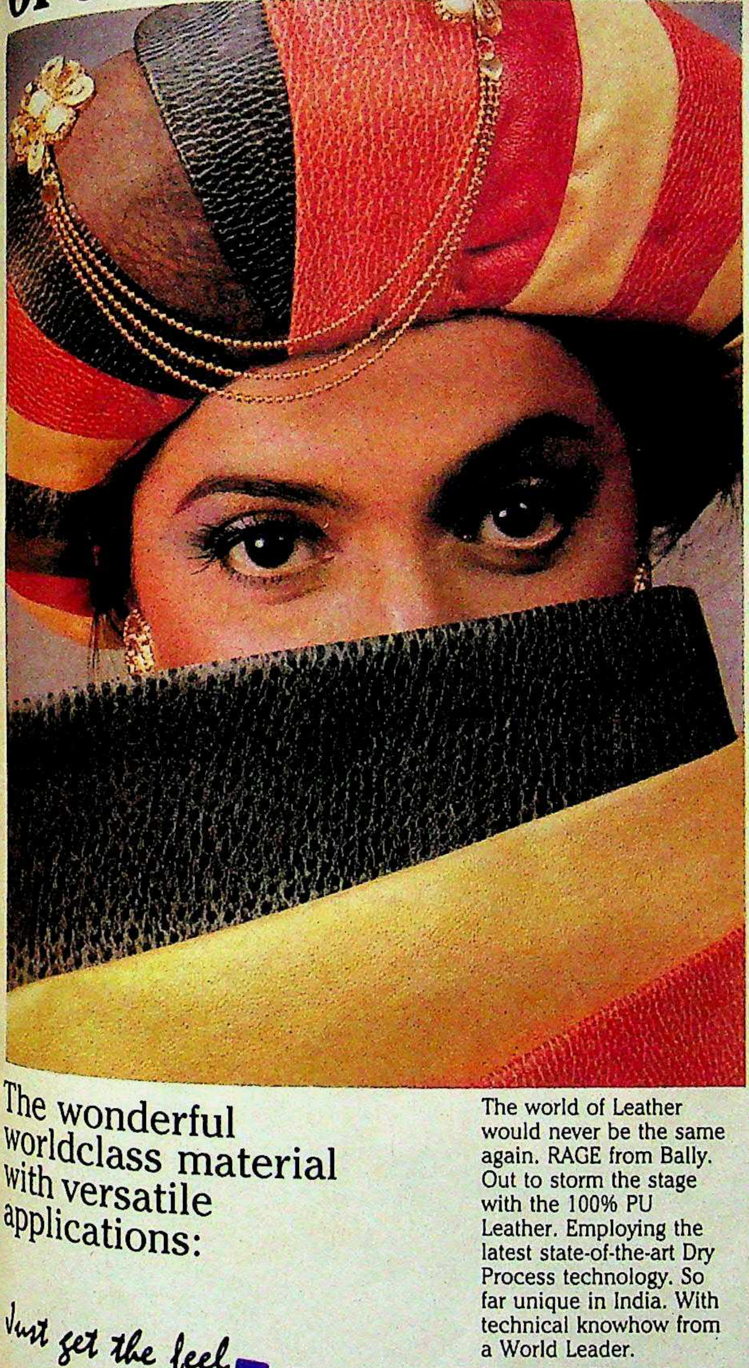

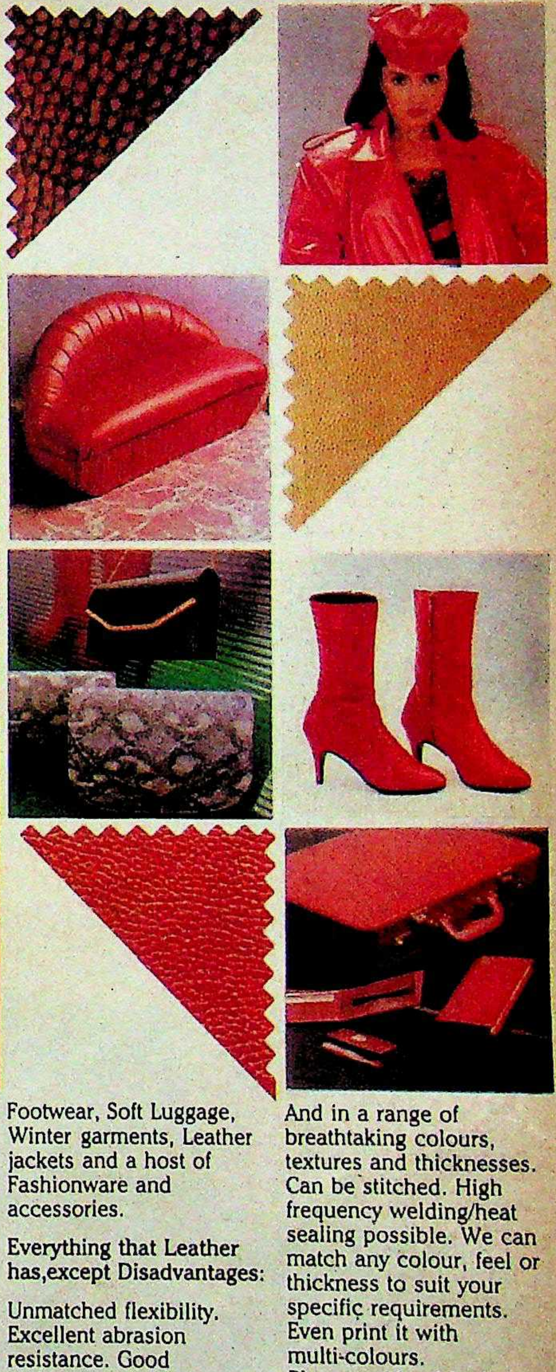

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Movies

RAMGARH KE SHOLAY (directed by Ajit Dewani). Even if Dewani couldn't make Sholay II, he still came up with a spoof on the original—*Sholay*. And to make up for Amitabh Bachchan he has got a look-alike Vijay Saksena.

PRAMOD PUSHKARNA

Ramgarh ke Sholay: a spoof

BEDER MEYE JYOTSNA (Daughter of a Snake-Charmer). The Indo-Bangladeshi venture has Calcutta movie-goers asway with its music, and has reportedly grossed over Rs 3 crore.

Video

THE DOORS (directed by Oliver Stone; starring Val Kilmer, Kathleen Quinlan) With its hallucinatory visuals, the film is a tribute to rock's *enfant terrible* Jim Morrison. And the lost generation he symbolised. Kilmer gives a virtuoso performance. While not quite the grade we expect from the star director, it is a must for every Doors freak. Enough to light their fire.

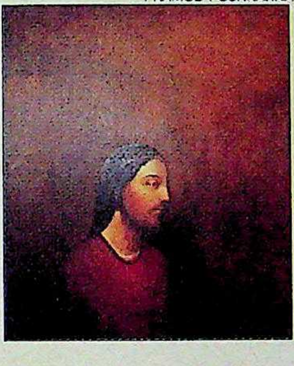
Morrison: immortalised

Art

AN AFFORDABLE ART MELA (Sophia Duchesne Art Gallery, Bombay). Mela? Well, it's more like a party. The new impresario on the scene, Ashish Balram Nagpal, has tossed together artists—some blue chip, some middling, some plain *chi-chi*—and like a good host is not far from the scene. He's also brought down the prices to set the cash registers ringing. Krishen Khanna, Gieve Patel, Manu Parekh, Jogen Chowdhury, Deepak Shinde and Manash Kamal Bishwash on sale from Rs 3,500 to Rs 15,000—quite within the reach of the not so rich art lovers.

NEW ACQUISITIONS (National Gallery, New Delhi). Vitality hasn't gone out of the contemporary art scene, even though mediocrity still persists. There are some delightful works and a few surprises among the National Gallery's 156 new purchases. Suhas Roy's Rembrandt-hued Christ is beautifully executed. Jai Zarotia is as whimsical as ever with his clown—stuck here between two sheets of glass. And Amit Ambalal as easy on the eye with his Matisse-inspired man sitting at a table. The surprises are J. Swaminathan without his birds and mountains and Ram Kumar turning a trifle figurative. In fact, increasinlgy, figurative art predominates—an obvious retreat from the artistic radicalism of abstractionist experiments with space, colour and line.

PRAMOD PUSHKARNA

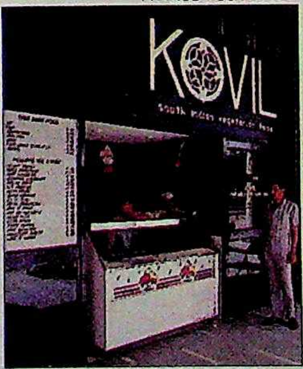


Roy's Christ: well executed

Food

KOVIL (Connaught Place, New Delhi). Not quite designer dosas. But the south Indian cuisine is served in banana-leaf shaped *thalis* with tricolour chutneys—mango, coconut and mint. The decor is understated and savvy: grey and white with lithograph reprints on the wall. The aesthetics make sense—chimes with the food and the background Carnatic music. Located under the upmarket CCA Gallery, the reasonably priced new restaurant tickles the artist's palate with its mildly spiced fare.

PRAMOD PUSHKARNA



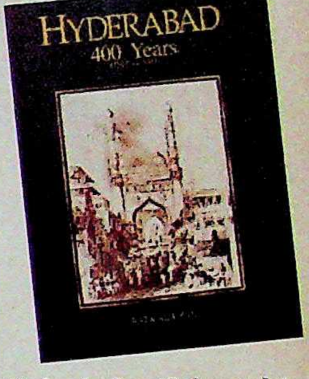
Kovil: understated savvy

Tourism

MAHARASHTRA TOURISM. Maharashtra is trying to do a Rajasthan: it is creating another Golden Triangle—Bombay, Aurangabad, Konkan. After the success with its seaside tent resorts, the state tourism corporation is developing the Pune region into a major lake resort.

Books

HYDERABAD 400 YEARS—1591-1991 (by Raza Ali Khan; Zenith Services; Rs 350). An illustrative compendium to mark the 400th anniversary of the founding of the city. More a guide than an analysis of the Qutb Shahi and Asaf Jahi kings who ruled over it and gave Hyderabad its romantic aura of Hindu-Muslim cultural synthesis. Rare colour and black and white photographs.



Hyderabad: guided nostalgia

COLLECTED POEMS (by Philip Larkin; Faber; Rs 340). Finally in India in paperback, the best-selling posthumous collection of arguably the greatest post-war poet in the English language. A must for every poetry lover.

VINELAND (by Thomas Pynchon; Penguin; Rs 70). Another book of eclectic and complex genius from the reclusive writer of *Gravity's Rainbow* and *V*. This time it's a refracted portrait of Reaganite America.

ELEPHANT SONG (by Wilbur Smith; Macmillan; Rs 300) The latest thriller from Smith, the author of riveting narratives of political turbulence in apartheid-ridden South Africa, traces familiar territory: from the depths of Africa to the boardrooms of London and the outposts of the orient.

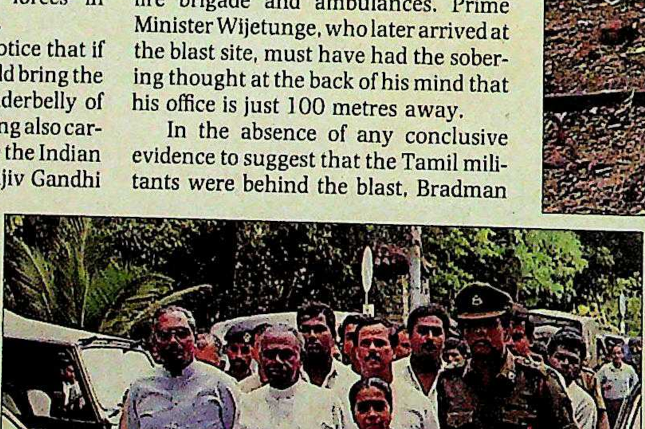
SRI LANKA

THE TIGERS' MISSIVE

Harassed by the army in the north-east, the LTTE strikes back in the heart of Colombo.

ONCE again last fortnight, a shattering shockwave emanating from the ongoing battle between the army and LTTE in the north-east rocked the capital city of Colombo leaving in its wake at least 40 dead and the top-security headquarters of the Joint Operations Command (JOC) of the army, navy and air force in a shambles. In one suicidal stroke, the two men riding a van full of explosives that detonated at the building's gate just as the morning rush hour began, had struck a massive blow for the LTTE, and evened up the score for some significant losses suffered in recent clashes with government forces in Vavuniya and Trincomalee.

The Tigers also served notice that if put under pressure, they could bring the battle right into the soft underbelly of Colombo. The suicide-bombing also carried a significant message for the Indian officials investigating the Rajiv Gandhi assassination case. Once again, the LTTE had underlined its expertise with explosives and the motivation to use its cadres in kamikaze operations.



Ironically, the two-storeyed JOC building was the nerve-centre of a massive machinery that had been set up with the sole purpose of fighting the Tigers. Now, its burnt-out facade symbolises the wave of fear that is sweeping across Colombo which already has scary memories of two other major explosions: the Pettah blast of 1987 when more than 100 persons died in the busy evening hour traffic, and the fateful blast that killed defence minister Ranjan Wijeratne along with 40 others in March this year.

However, this was by far the most devastating explosion of all, damaging at least 50 houses and destroying 20 cars. It created a crater so deep that subsoil water spurted out of it. Officials said the device must have contained at least 75 kg of plastic explosive. The damage to property wasn't the only one. Some of the army top brass was inside the building. The Director of Army Operations, Brigadier Tilak Paranagama, was hit by falling debris.

But the commander of security forces in the northern Jaffna region, Brigadier Vijaya Wimalaratne, was approaching the operational headquarters as the blast occurred. He drove off to alert army headquarters and call for the fire brigade and ambulances. Prime Minister Wijetunge, who later arrived at the blast site, must have had the sobering thought at the back of his mind that his office is just 100 metres away.

In the absence of any conclusive evidence to suggest that the Tamil militants were behind the blast, Bradman Weerakoon, the presidential adviser on international affairs, described it as the work of "separatist terrorists". However, intelligence sources said it could only be the LTTE, since the organisation has reasons for striking Colombo. It needed to do something to raise its cadres' morale after having faced some stunning defeats at the hands of the Sri Lankan Army which overran base camps in the east and gave the militants a battering in the week-long Operation Wanni Wickrama beginning on June 15 in areas north of Vavuniya.

Operation Wanni Wickrama aimed to take control of the main supply route

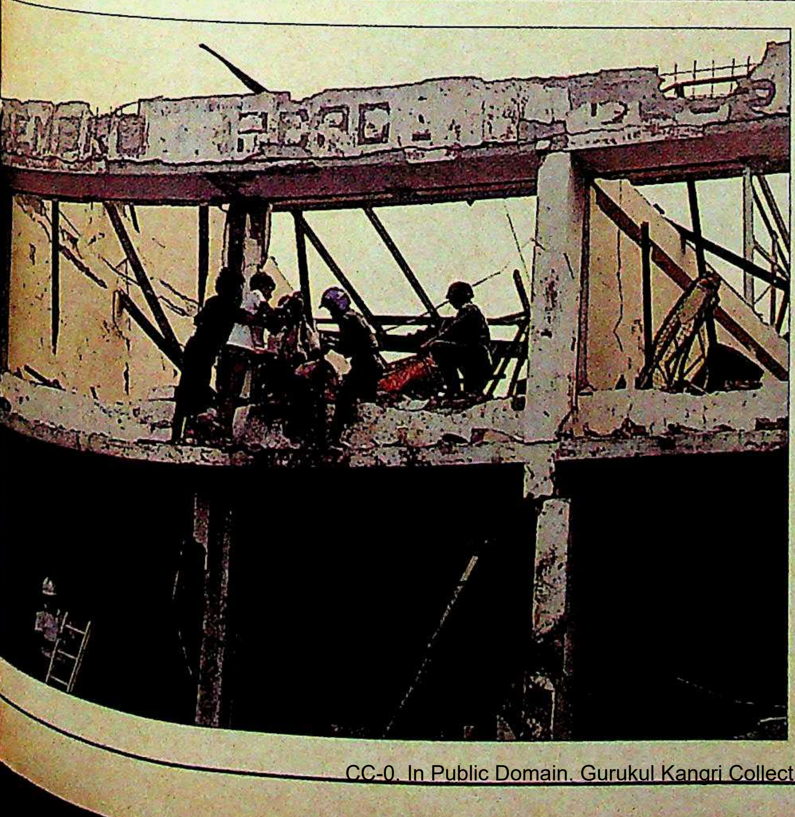
The suicide bombing of the military headquarters underlined the LTTE's expertise with explosives and its cadres' kamikaze instinct.

Photographs by SHYAM TEKWANI

(Clockwise from left) First pictures of the blast; destroyed barracks; Wijetunge at blast site

between Vavuniya and Mannar in the north. The fresh offensive began with the clamping of curfew in all areas north of Vavuniya town, in the districts of Mannar, Mullaitivu and Killinochi. After five days of fierce fighting, the army captured the LTTE stronghold at Paraiyanakulam, 20 km north of Vavuniya and by June 19, they cut off the supply route. Paraiyanakulam is the crucial junction at which the highway from Vavuniya joins the 115 km-long Talaimannar-Madawachchiya highway.

BUT even Sri Lankan officials admit their army is too small to be able to consolidate such gains or to increase its area of control. The army's strength is only 60,000. And the main reason why it has even managed to launch some offensives against the Tigers is that after the destruction of JVP militancy, the Government could withdraw most of its units from Sinhala areas. The audacious attack on the JOC headquarters could also be aimed at pressuring the Government into withdrawing troops from the north to beef up security in the south. Officials are also apprehensive that the Tigers are in the process of acquiring surface-to-air missiles to neutralise the Government's air superiority.



Even as the army and the Tigers play their bloody hide-and-seek, the real sufferers are the Tamils of Jaffna peninsula. In mixed population areas where the Government is in control, the population has to suffer continuous curfew, sometimes agonisingly stretching for weeks together.

Jaffna, for instance, is literally being choked. Lorries have to wait for two weeks or more at Vavuniya for the army's clearance with supplies of food and bicycles, which are in great demand in the north. Worse, transport operators pay bribes to Sri Lankan officials at checkpoints and also the taxes levied by

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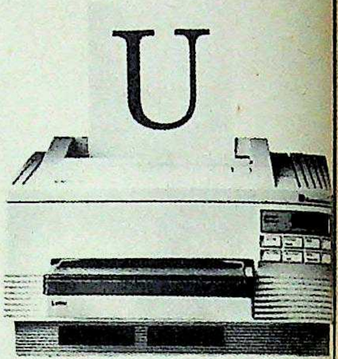

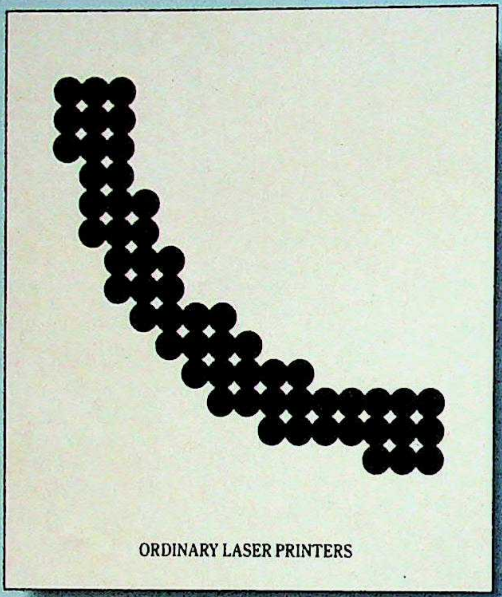

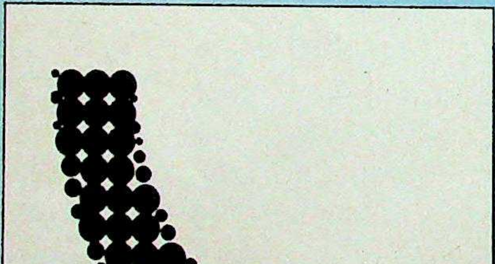
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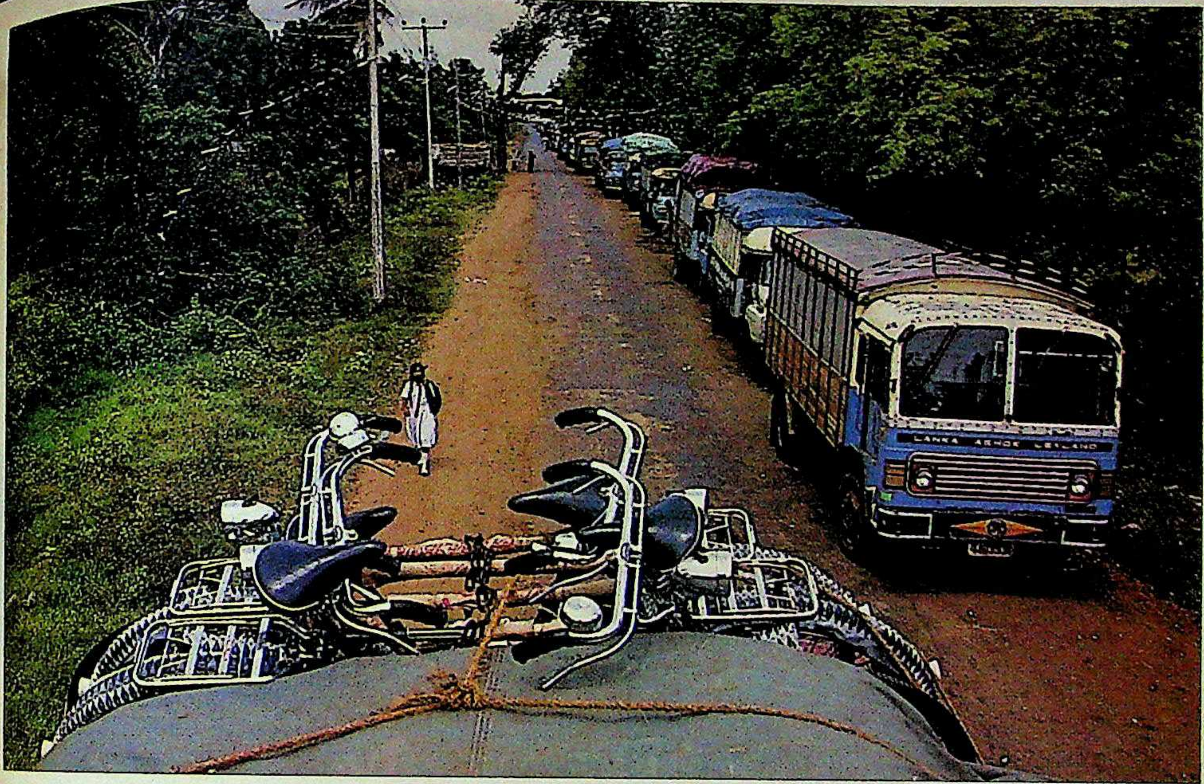

Convoy of trucks held up by the army at Vavuniya to starve Jaffna peninsula

In the absence of petrol and diesel, Jaffna Tamils' mode of transport is the bicycle smuggled from Colombo, each costing Rs 4,000.

the LTTE. Obviously, the losses are passed on to the poor Tamils. Prices of certain basic commodities are totally unaffordable. In the peninsula, rice is sold at Rs 30 a kg; sugar, Rs 60 a kg; and kerosene is not less than Rs 90 a litre, that is, if it is available at all. Jaffna town has gone without electricity for a year. And the current price for a bicycle is as much as Rs 4,000, since it is the only means of transport available. "We manage to live with one meal a day or every other day in the north," says lorry driver S. Padmanabha at the end of the first week of waiting at Vavuniya.

Meanwhile, the horrendous killing of Tamils in the east at Kokkadicholai is a blot on the Sri Lankan Army. In an unnerving replay of Mai Lai, troops went on a murderous spree in Mahiladituvu, Munaikadu and Muthalalikudah villages in Batticaloa district after a land mine blast killed two soldiers. Although the official death toll was put at 62, P. Joseph, the Batticaloa TULF member of Parliament, says the number is much higher. According to him: "Local people complained that 56 bodies were buried in the mill at Mahiladituvu."

Defence Ministry sources admit that the tragedy will mean a major setback to the campaign against the LTTE which so far had been showing some signs of success. "Kokkadicholai is not the first massacre involving the army. The LTTE has also been killing innocents. Today, there is no difference between the army and the Tigers," says EPRLF MP, K. Premachandran.

As for Jaffna peninsula, even many Sinhala opposition leaders are of the opinion that the army's blockade of supplies has, if anything, only made the people more defiant. "The Government has made very little headway in destroying the LTTE military machine. It has absolutely no idea of the ground situation. And even if it wins the battle against the LTTE, it cannot win the hearts and minds of the Tamils who have suffered so much," says SLFP leader, Anura Bandarnaike.

Ironically, both the Government and the LTTE hint that they are ready for talks. However, given the fact that in the past the Tigers have always played for time, Defence Ministry hawks are dismissing the LTTE's latest signals for "unconditional talks" as merely a ploy. The LTTE is still adamant that the Government must first recognise the right of the Tamils to self-determination. Its Paris-based spokesman, Lawrence Thilakar, also suggests that the talks should be held in a European city and that India play a role as a mediator.

Bradman Weerakoon says the Government has three pre-conditions:

► A declaration from the LTTE that arms would not be used to attain political goals.

► Participation of other political parties in the talks.

► LTTE leader, Velupillai Pirabhakaran, must be present.

Hawks in the Defence Ministry argue that the peace signals being sent out by the LTTE are merely a diversionary tactic. According to them it is only intended to buy a respite to absorb the loss of a large cache of military equipment from a merchant ship owned by the LTTE's Shanmugam Kumaran,

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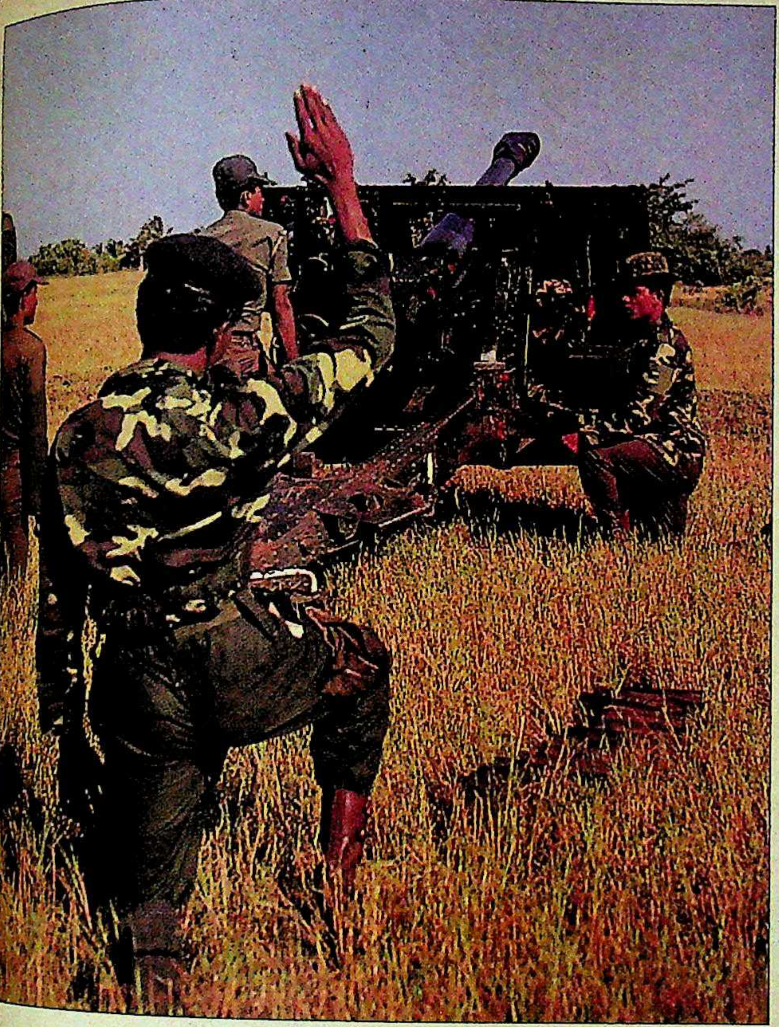
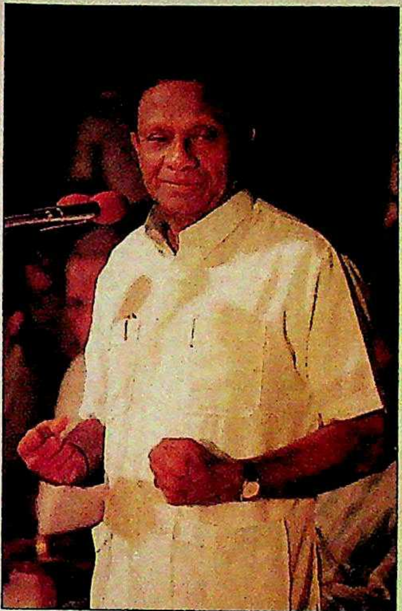




With better mobility and arms, the army is gaining but is incapable of defeating the Tigers, forcing the President to think in terms of talks.

who owns the dubious Point Pedro Shipping Corporation. The Malaysian authorities seized the vessel. The haul included: a speedboat with 225 HP outboard engines, 11 Yamaha 175 HP engines, 15 diving kits, four gyro compasses, 450 walkie-talkies, 1,000 antenna sets, 325 radio transreceiver base stations, two mobile communication sets, 43 pairs of binoculars and 95,000 batteries of different kinds.

The Government is also chastened by memories of the earlier round of talks 14 months ago which ended abruptly with the Tigers attacking a number of police stations and army camps in the north and east. Since then, the fighting has claimed more than 7,000 lives and the LTTE has been forced to move out of the east. After the bitter experience of losing 1,989 men, the security forces do not want to give the Tigers any kind of respite or time to recoup.

However, there seems to be a tussle between the Defence Ministry and the political leadership. President Ranasinghe Premadasa himself is said to encourage the idea of talks. "I will give them *ellam* (everything) but cannot give Eelam (separate Tamil state)," says Premadasa in a characteristic semantic flourish.

PREMADASA has his compulsions. Foremost among them is the economy which is straining under the war burden. The Sri Lankan rupee is depreciating against the dollar. Even more serious is the speculation over the possible delay in holding the annual meetings of the Sri Lanka aid group—comprising government and international agencies which are the country's main providers of development assistance.

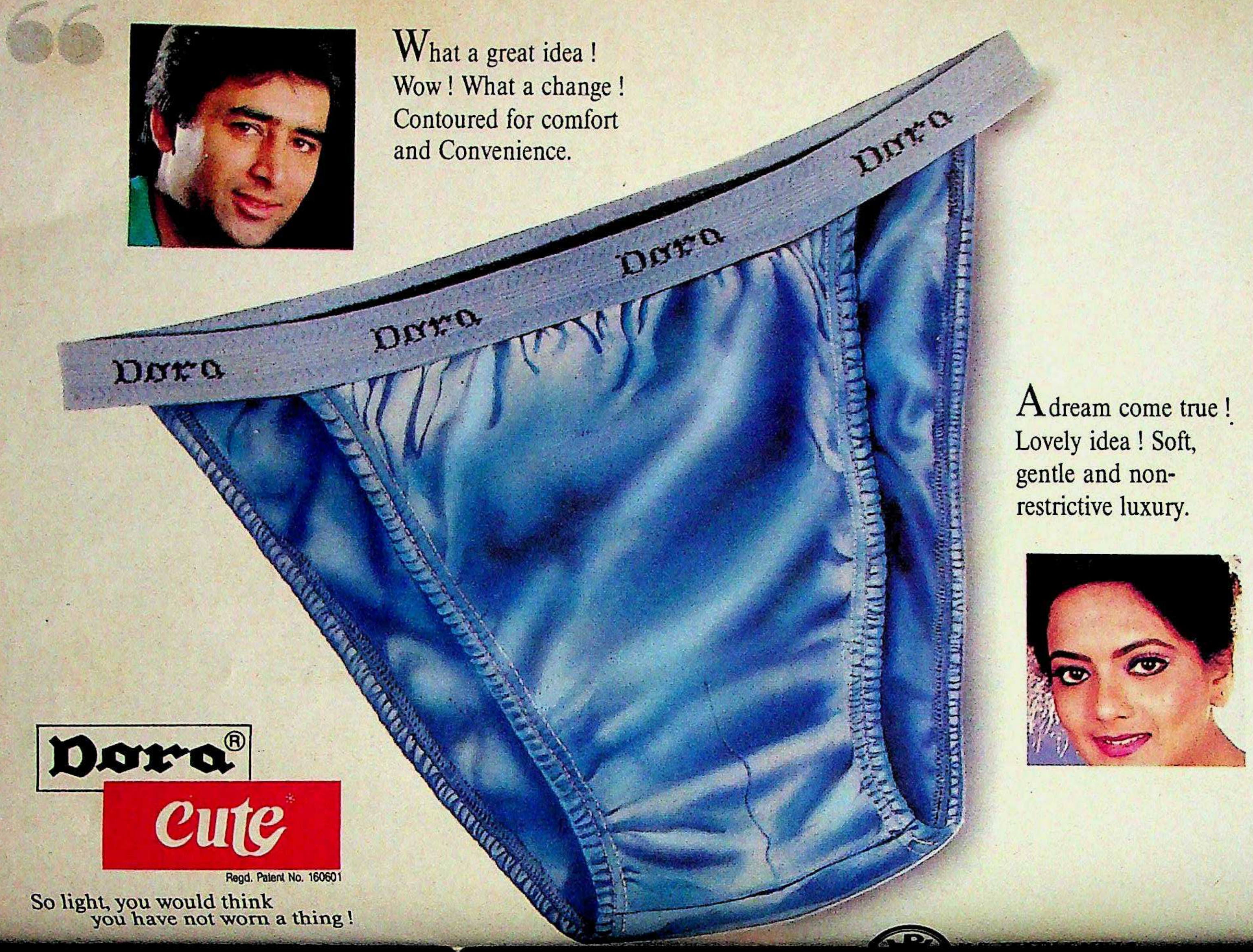
Apart from the economic crisis, there is also the social trauma caused by the unending violence and dislocation of entire communities. Almost every tenth Sri Lankan is today a refugee. Even tourism, that at one point held some promise, has received fresh set-backs due to the blast.

The President also nurses ambitions of going down in history as the one who resolved the ethnic crisis. He realises that his army has its limitations. And he is loathe to seek Indian help. In such a situation, the only option available to him is to talk.

Shrewd as he is, Premadasa knows that at the moment the LTTE is under pressure. His army has had some successes, the Tigers are suffering worldwide opprobrium for their suspected involvement in the Rajiv Gandhi assassination. And, most significantly, the newly installed Tamil Nadu Chief Minister, Jayalalitha, has already stated her determination to clear the state of the Tigers, denying them easy use of their sanctuary.

The conventional wisdom in Colombo is—Premadasa has been trying to go in for the kill, but through negotiations, by conveying to the Tigers that since they are under pressure they have no choice but to talk. However, the two men who drove the plastic-laden van into the JOC headquarters may indeed have conveyed the LTTE's resounding rebuff to that.

—AMARNATH K. MENON in Sri Lanka



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SHARAD SAXENA

The NDTV team in Doordarshan's production control room: on the ball

DOORDARSHAN

Tantalising Triumph

The poll telecast was a mix of electronic wizardry and super anchoring

IT'S June 16, a few minutes before 12.45 p.m. Anchormen Prannoy Roy and Vinod Dua face the cameras in spruced-up Studio 2 of Doordarshan. They've been through rehearsals, yet nervousness occasionally comes through. In the production control room, the producers hurry through the schedule, checking inputs from outdoor broadcasting (OB) vans situated across the country. Suddenly, it's time for the studio to go live, the signature tune comes on and Roy launches the marathon analysis of the tenth general elections, "Good Afternoon,...."

It may not be the greatest show on earth, but in the two days following the final rounds of polling it made a stolid medium come into its own. Those two days, television glowed with promise as Indians watched the electronic wizardry and editorial vibrancy of the election analysis wash away their sense of ennui with the long drawn out elections.

Results came fast and thick thanks to NICNET, the countrywide network that links nearly 400 districts with Delhi through INSAT. It gave up to the minute updates on counting trends from almost all counting centres. These data were fed into computers, which converted them instantly into TV graphics. Thus viewers could, at a glance, know the relative strengths of parties through bar charts.

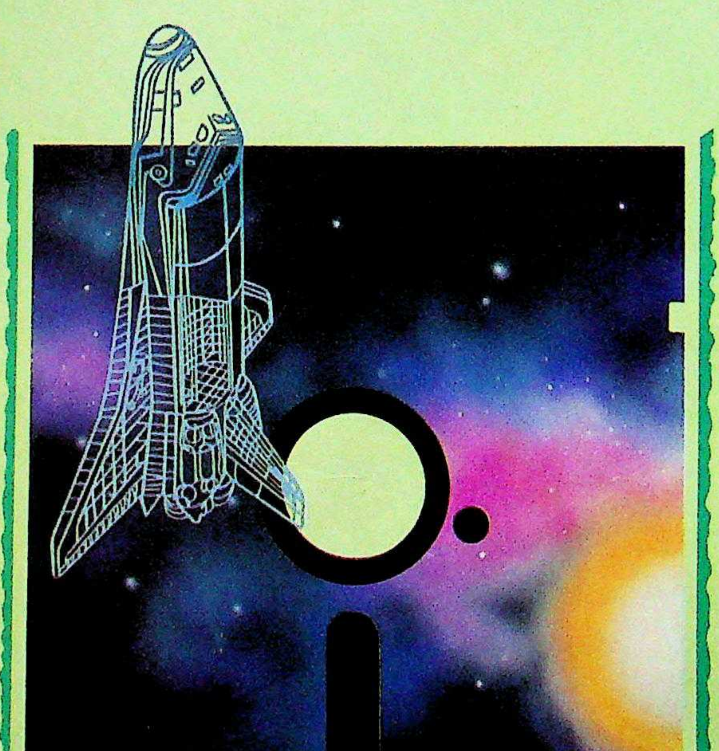
Roy applied his psephological skills to tell the country about vote swings since the last polls. It was instantly known that the sympathy factor following Rajiv Gandhi's assassination was stronger than expected and that the BJP had improved its percentages in unexpected areas. Roy also provided projections of the likely complexion of the House, plunging this politics-crazy country into furious debates about who would form the next government.

The graphics showed distinct improvement. Roy's Statart Software developed software in-house. "It was used for the first time and it worked smoothly," says he. A device called Quantel paintbox provided special effects like maps with distinctly coloured zones. A 100-strong team of New Delhi Television, another Roy company, descended on Studio 2 days before the show, to put the equipment in place and ensure everything worked to plan.

Roy and wife Radhika, with British TV expert Paul McKee, Doordarshan producers Abhijit Dasgupta and Vijay Kumar, were always on hand to get over the glitches. They were supported by the vast Doordarshan network and staff *(see box)*. Says Radhika: "Doordarshan really pulled out all the stops." Cameras across the country caught hold of winners and losers, providing a ringside view of the action.

But it was not just the dazzling graphics that kept viewers entranced.

Lightweight take-off.



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It was also the editorial panache. All the bigwigs—Narasimha Rao, V.P. Singh, L.K. Advani, Chandra Shekhar—as well as lesser leaders, appeared live. They were asked relevant, sometimes uncomfortable questions. Advani was grilled on the two faces of the BJP—one moderate, the other virulent—while CPI(M) leader H.S. Surjeet faced some tough questioning on his party's stand on the IMF loan. On the editorial policy of the programme, Doordarshan Additional Director-General Shashi Kant Kapoor says: "It was absolutely no holds barred."

Vinod Dua, who provided recaps of the proceedings in Hindi and also questioned the panelists, showed only flashes of his old brilliance. Returning on live TV after 15 months, he was understandably a little nervous. When Ram Jethmalani attempted a garbled explanation of the Janata Dal debacle, Dua feigned innocence: "I couldn't understand what he said." And after Ghulam Nabi Azad for the umpteenth time repeated it was too early to say who'd be prime minister, he dipped into sarcasm: "That was original."

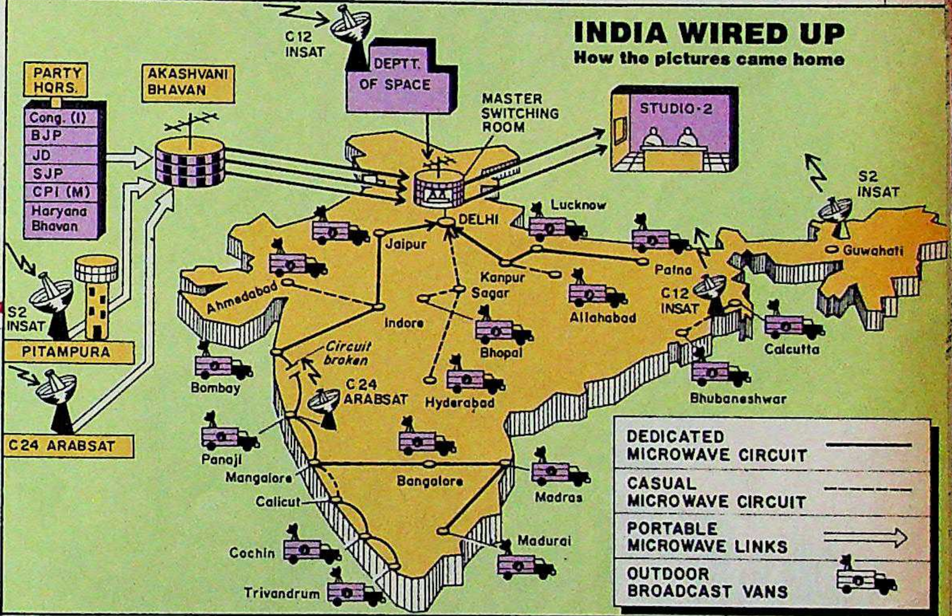
The team put out 19 programmes spanning 15 hours. Roy thinks the next step should be an ongoing 24 hours programme. "That's how it is everywhere in the world," he says. The only hitch is that in India, all results are not declared even in 48 hours.

The coverage did not come cheap. Doordarshan had to fork out Rs 4 crore, the bulk of it on hiring of communication lines from the Department of Telecommunications. Roy's bill came to Rs 22 lakh. But the network recovered about Rs 2 crore from commercials.

Arguably, it is impossible for Doordarshan to keep up the same level of mobilisation and expenditure for its daily news bulletins. For viewers returning to the tedium of its daily fare, the unshackled coverage at least provided a glimpse of what could be accomplished.

—ALOK TIWARI

Chart by B.K. SHARMA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TECHNOLOGY

Wired for Victory

IN the brief hours of the Prannoy Roy show, with viewers swinging from town to town through the small screen, India suddenly identified with Marshall McLuhan's vision of a global village. But wiring up the country was no mean task. Behind the effortless movement of cameras from Guwahati to Trivandrum lay a formidable engineering feat.

The challenge of the engineering staff was to coordinate 23 OB spots for the election analysis done by the Roy team along with eight studio link-ups for DD election bulletins. So, effectively they had to handle inputs from 31 centres. This was managed through DD's three dedicated microwave (MW) circuits that link 14 cities. Casual circuits added five more cities. In addition, offices of major parties in Delhi were linked to the master switching room (MSR) at Akashvani Bhavan through portable MW links.

However, it was not as if all 31 inputs were available simultaneously at the MSR because only one centre on a given circuit can come in at a time. To increase the choice, the circuit linking southern towns to Delhi via Bombay, Indore and Jaipur was broken between Panaji and Bombay. The signal from Panaji was bounced off to Arabsat and received directly at Delhi thus making them, in effect, four circuits *(see map)*.

These combined with local portable MW links and a satellite link from Guwahati provided the MSR with seven simultaneous inputs. The MSR sifted it and gave a choice of two inputs to producers Abhijit Dasgupta and Radhika Roy who in turn told Prannoy and Vinod what was coming next on the screen.

Coordinating all this required that staff at each level be given detailed instructions on what to do at what time. Which centre would come in at what time had to be planned to the last minute. Said N. Subramanian, DD's director (engineering): "It is like a musical score for an orchestra." Yet, they also had to be ready for improvisations.

Sometimes there was a demand for different centres on the same circuit within minutes of each other. This meant getting through complex switching network across the cities at lightning speed.

Getting signals from the party offices to the MSR presented a peculiar problem. MW signals travel only in the line of sight and this was impossible in Delhi, with trees, buildings blocking the way. So a hopping centre was set up atop the Hotel Kanishka building from where signals hopped to the MSR.

More than 1,000 members of the engineering staff made sure signals came smoothly from remote centres to the nation's living-rooms. To their delight not once did the dreaded message "Sorry for the interruption" flash during the show.

—ALOK TIWARI

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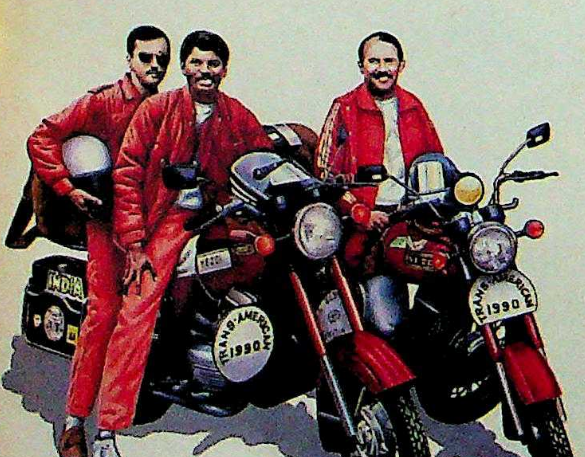

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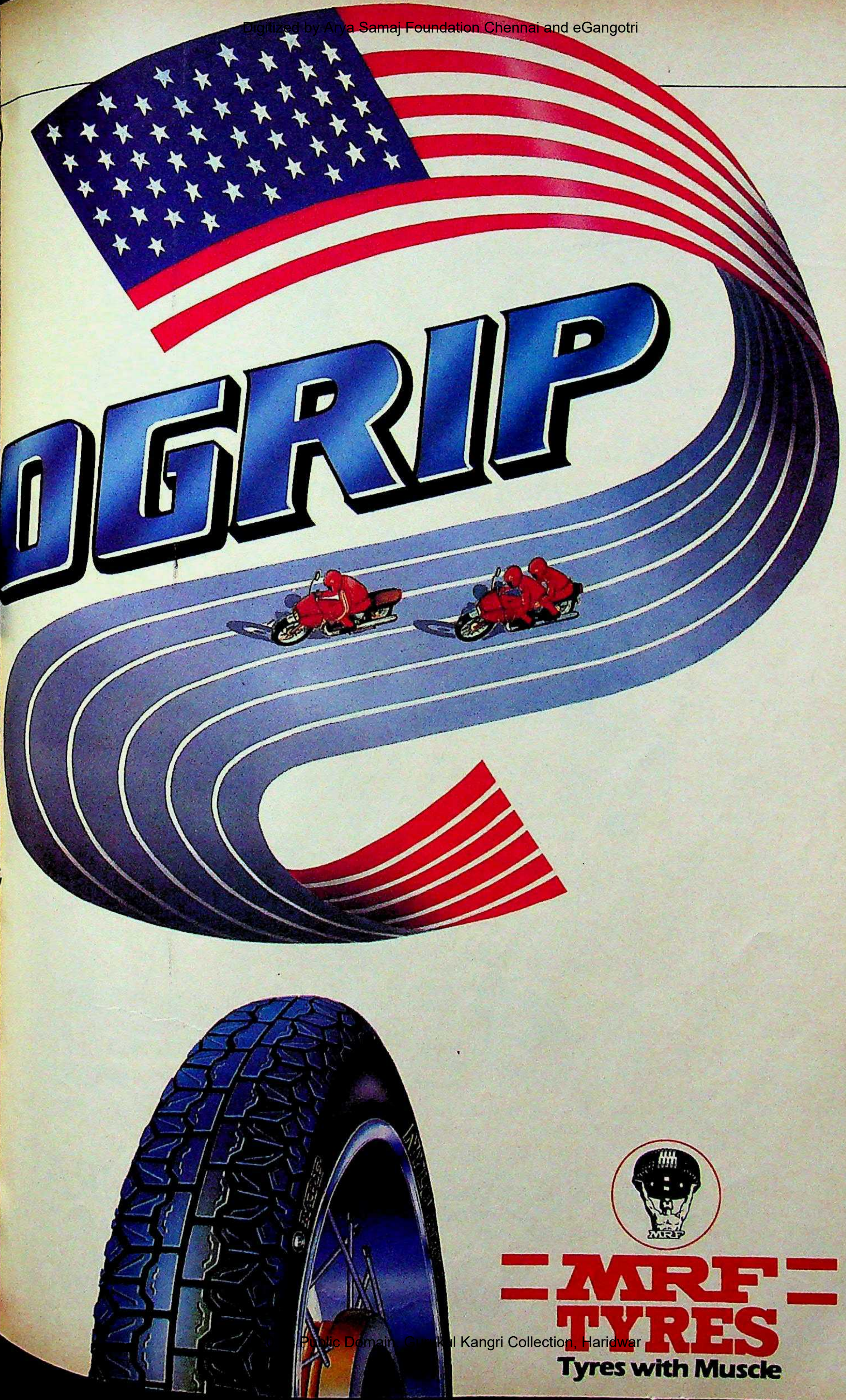
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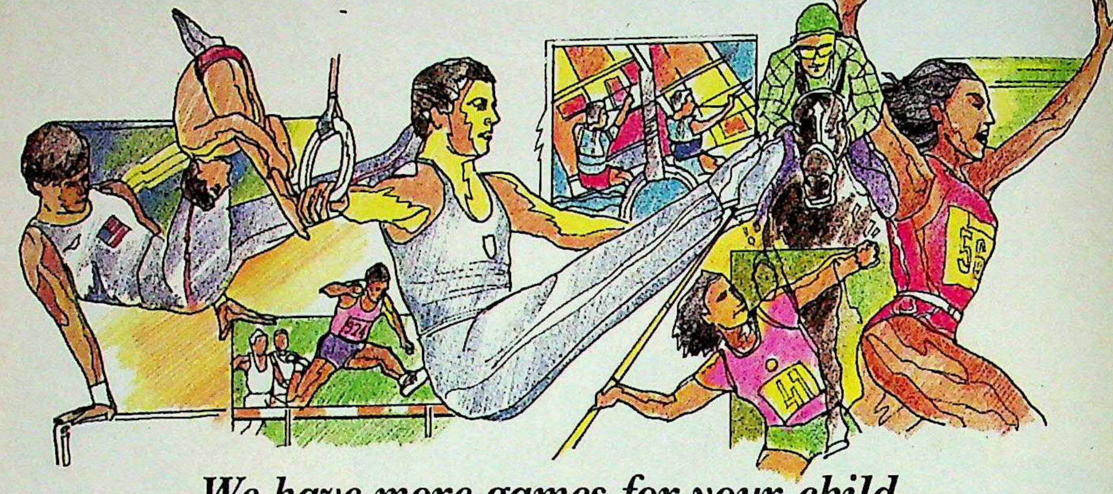

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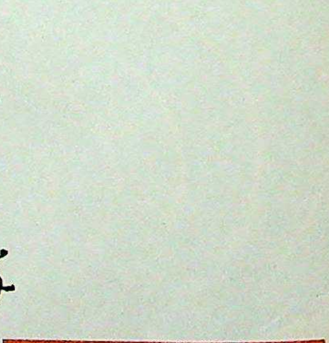

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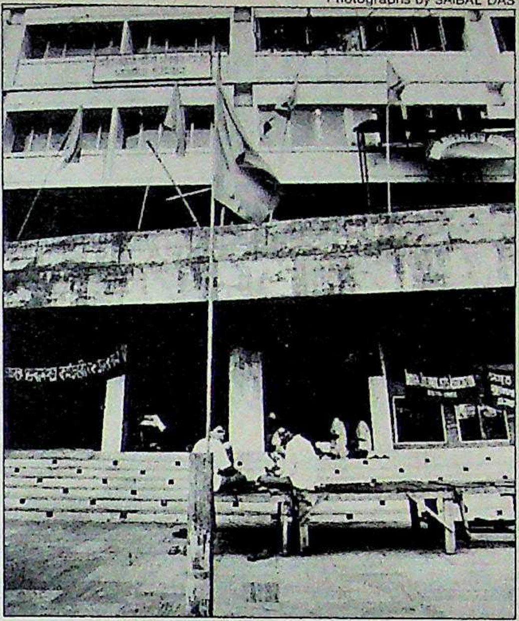
AMRITA BAZAR PATRIKA

Stop Press

Debts kill an institution



Photographs by SAIBAL DAS

Amrita Bazar premises: ignominious exit

SINCE February 6 this year, mornings have never quite been the same for many Calcuttans. Missing from their morning *adda* with tea, biscuits and newspapers, has been the 123-year-old English daily *Amrita Bazar Patrika* (last reported circulation: 25,000) and its Bengali sister publication *Jugantar* (circulation: 80,000). Unable to pay even salaries, the owners fled, leaving the 1,100 employees to feed on memories of the newspaper's rich history.

For a newspaper which was in the forefront of Indian journalism's battles against colonialism this has been an ignominious way to go. Time and again during the British Raj, the paper was banned and the editor jailed. "The *Patrika* is really *amrit* (nectar)," Mahatma Gandhi had eulogised.

The nectar started turning sour from the time when the newspaper group switched from its antiquated premises at Ananda Chatterjee Lane in Baghbazar to the multi-storey structure at Acharya Jagdish Chandra Bose Road in central Calcutta by the end of 1986. The new premises obviously did not inspire the staffers morale. Advertisement revenue suddenly slumped from over Rs 1 crore a month to around a paltry to Rs 20 lakh. A cash crunch resulted. Soon came the death-knell: the paper was struck off the rolls of the Audit Bureau of Circulation and PTI and UNI services were withdrawn. Says Subodh Bose, president of the Amrita Bazar Patrika, Jugantar and Amrita employees union: "By closing down the papers, the owners intend to divert funds to real estate business."

Adding to the financial crisis was the relentless onslaught of the rival English daily from the Ananda Bazar group, *The Telegraph*. With its modern design and saturation reportage, *The Telegraph* cut a deep swathe in the *Amrita Bazar* market resulting in an erosion of the over 1.5 lakh circulation it enjoyed during its peak days. Says Sunanda K. Dutta-Ray, editor of *The Statesman*: "In *The Statesman* we always refer to *Amrita Bazar* affectionately as our Baghbazar contemporary. We would be very sorry to see such a proud Bengali institution disappear from the Calcutta scene."

The owners of *Amrita Bazar Patrika*, a traditionally well-known family of the state, has no lack of goodwill but lacked the will to run the paper. Managing Director Tarun Kanti Ghosh was a very influential minister in the state for 20 years, holding such important portfolios as home and finance. He was also a Congress(I) member of Parliament between 1984 and 1989. The ailing family patriarch, Tushar Kanti Ghosh, still the group editor at 94, is also much respected. All they can do now is resort to rhetoric. "It is a paradox really that *Amrita Bazar*, which all along has fought for social rights and justice, has itself become a violator of law," says Tarun Kanti Ghosh.

Amrita Bazar is a study in callous mismanagement. For the mammoth 10-storey structure, a bank loan of Rs 3.5 crore was secured. Besides, another Rs 9 crore was taken as an advance from banks for upgradation of technology. Interests started multiplying. The company's debts to banks at present stand at a whopping Rs 21 crore.

Since there is no official lock-out the staff members still come to the office everyday, sign the attendance register and brood over their future over endless cups of tea. A proof-reader, Chandi Ghosh, hanged himself in the office.

The owners have proposed that they be allowed to develop and sell off their properties, including their multi-storey complex, so that debts may be repaid and to revive the paper from the old premises at Baghbazar. "Chances of revival are 2,000 per cent bright," says Tarun Kanti Ghosh. Not so hopeful are the employees who first want their dues cleared. But as of now, it seems that an obituary to a great Bengali institution has been written.

—RUBEN BANERJEE

AMRITA BAZAR PATRIKA

DEBTS (in Rs)	
TO BANKS	21 crore
PROVIDENT FUND	1.98 crore
GRATUITY	80 lakh
OTHERS	4.2 crore

"It is a paradox really that *Amrita Bazar*, which has fought for social rights and justice, has itself become a violator of law."

TARUN KANTI GHOSH
Managing Director

IVORY CARVING

Craft Crisis

Ban threatens old tradition

TIME seems to stop in Kucha Pati Ram, a congested lane in Old Delhi. Deep in its recesses, in a dingy cubicle sits Chander Bhan Gupta, his brows covered with fine bone dust. "It's all over," he sighs, looking up from the dentist's drill that he's been using to carve patterns on a piece of bone. Rues he: "No new kids are joining this line. Why should they?"

Gupta, now in his 60s, has reason to be sceptical. An ivory carver for the last 55 years, he's now forced to look elsewhere for a livelihood. And he is not alone. Scores of ivory craftsmen across the country face a grim future as the effects of the international ban on ivory begin to tell.

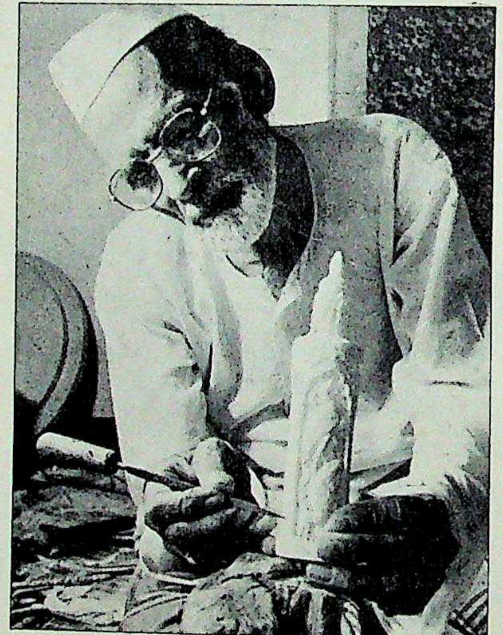
Following an outcry over the declining number of African tuskers, the Convention on International Trade in Endangered Species (CITES) banned trade in African ivory in October 1989. Three months later, India implemented the decision, having already banned trade in Indian ivory years ago. Whatever the positive impact of the ban on the African elephant, it threatens to end India's long tradition in ivory carving.

Harappan sites have yielded ivory items 5,000 years old. Ivory trade is referred to in Kautilya's *Arthshastra*. Even the *Kamasutra* recommends that decorations in the bed chamber be hung from ivory tusks on the walls.

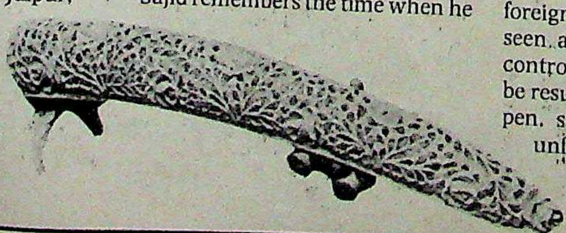
The Crafts Council of India estimates the total number of ivory carvers to be 6,000. And the number of master craftsmen may be down to just a couple of hundred, mostly in Delhi, Jaipur, Lucknow, Murshidabad and Trivandrum.

Several craftsmen have switched to more lucrative trades. Hari Kishan, 39, now makes small plastic items like knobs for fan regulators. "We have lost 50 years of family tradition," he laments. Others have opened grocery shops or sought employment elsewhere. Most have shifted to the use of lesser media like animal bones or sandalwood. Gupta now makes bone artefacts. So does master craftsman, Mohammed Sajid, 66. But it is not the same. Lacking ivory's softness, bone chips do not allow for fine craftsmanship. It also lacks ivory's appeal and allows lower profit margins for artisans.

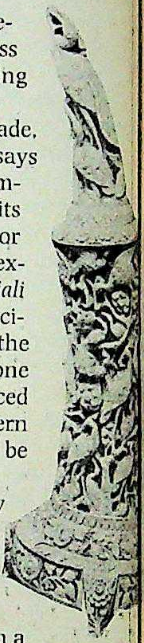
Mohammed Sajid: struggling to eke out a living



> With income going down, many craftsmen have switched to other trades.



Sajid remembers the time when he could make Rs 5,000 per month from ivory carving. Now, only two of his nine sons remain in the trade and he is lucky if he can make Rs 1,500 selling bone items. A statuette in ivory that would have fetched Rs 2,000 before, goes for just Rs 40 in bone. The worst affected are skilled craftsmen like Gupta and Sajid, who used to sell their own goods to various emporia. They have seen a real decline in income by switching to cheaper media.



More than the depletion in income, it is the loss of tradition that is bothering craftsmen. "After nine generations in this trade, we've given it up," says Abdul Moid. His family, which traces its lineage to Emperor Shahjahan's days, excelled in intricate *jali* work, an Indian speciality. Moid displays the gross chains of bone beads he's now reduced to making for western flea-markets—to be sold as ethnic chic.

With every craftsman there is the inevitable memorabilia—albums and scrapbooks, snatches from a more glorious era. Sajid prides two sculptures he made out of massive tusks, one and half times the size of a cricket bat.

Indian ivory carvers have only dim awareness about the reasons for the ban. They have their own interpretations, some bizarre. Rajendra Sharma, believes African elephants are being killed since the locals don't know how to capture them alive. Moid's view is: "America is allowed to sell arms but Africans are not allowed to sell ivory."

There is, however, one ray of hope for them. CITES is to review the ban in 1992. And several African countries are convinced that the move will prove to be counter-productive. With ivory no longer bringing in foreign exchange, elephants are not seen as a resource any more. Some controlled trade in ivory will perhaps be resumed. And if that does not happen, saving the African tusker will unfortunately mean the extinction of an exquisite art.

—ALOK TIWARI

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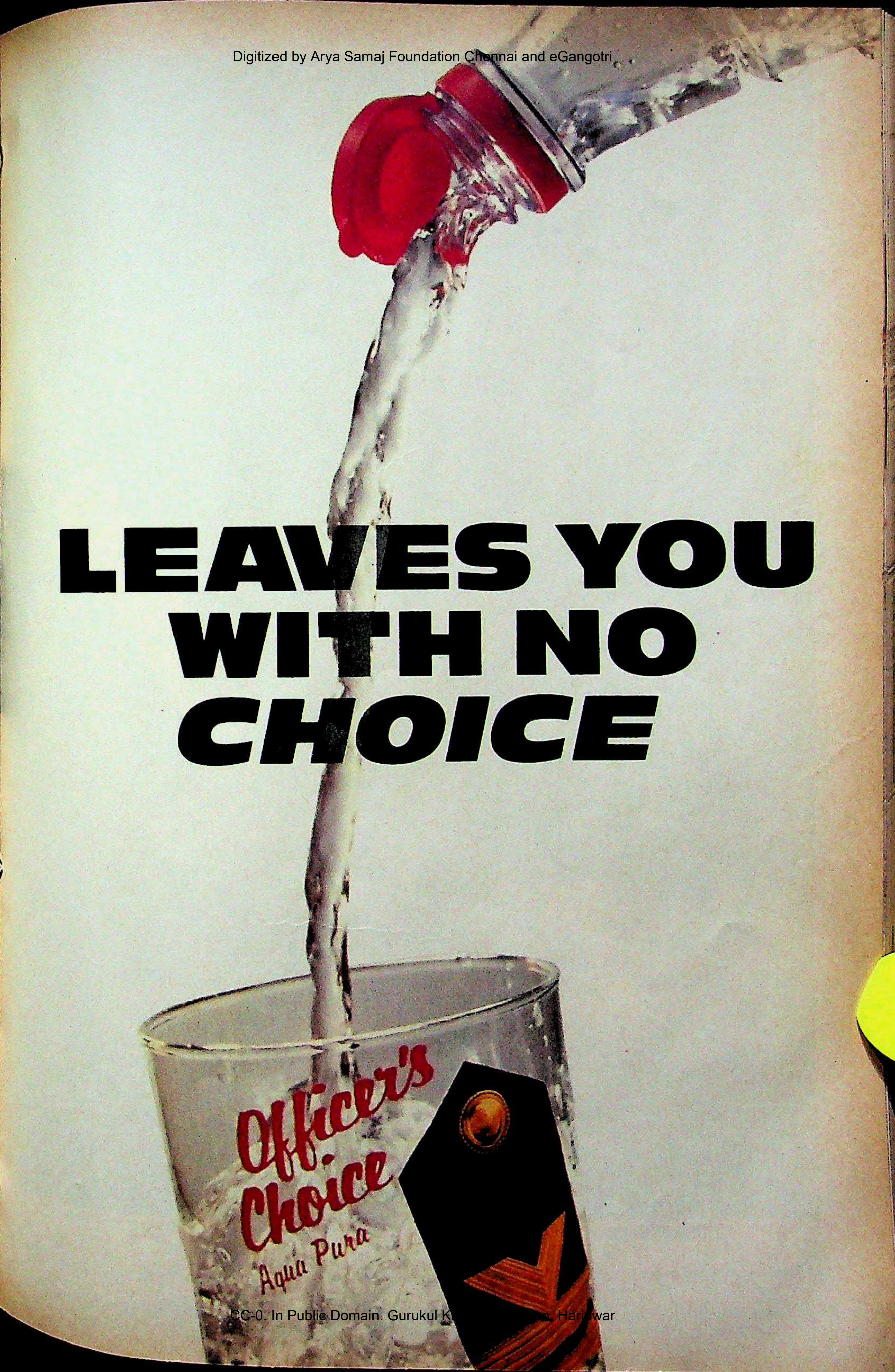
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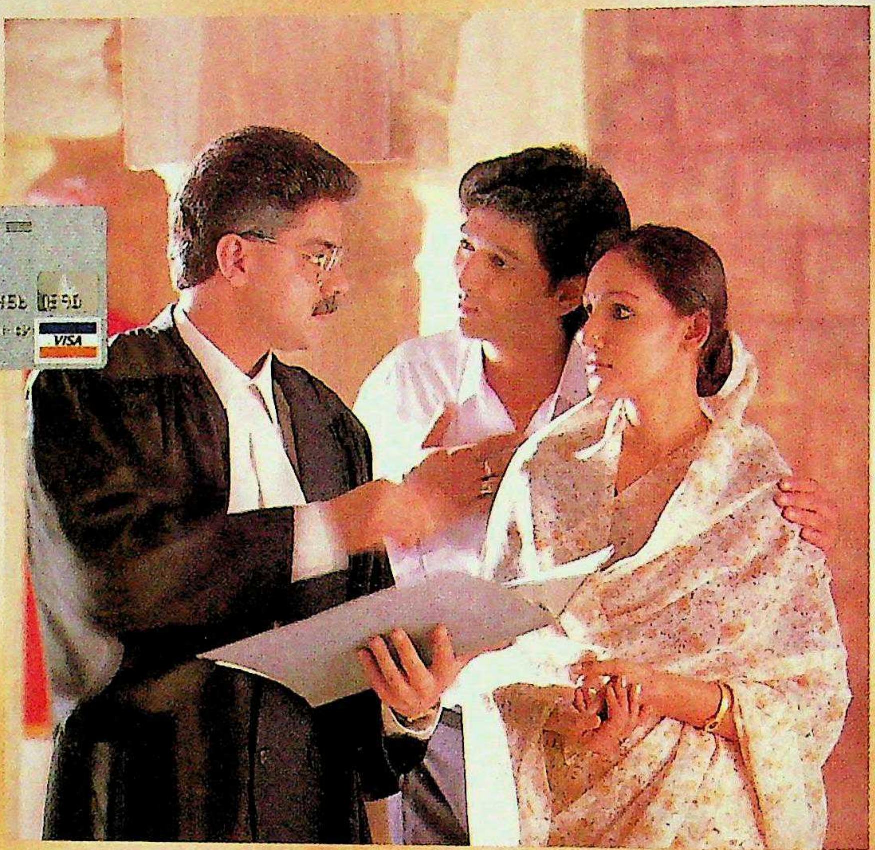

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SPEER 28 302 91

ZARI WEAVERS

The Doomed Looms

Riots in Varanasi ruin traditional industry

THE looms that spun exquisite brocade sarees and intricate *zari* patterns in Varanasi have fallen silent. Threatened by increasing incidents of violence in this holy city, the once-thriving industry has ground to a virtual standstill.

The large-scale communal violence that rocked Varanasi last month has left the master weavers angry and helpless. Over 500 looms that had worked overtime to meet an ever-burgeoning demand have to be junked as they have been either burnt or destroyed. Three hours of rioting left 10 persons dead, 126 injured and 117 houses demolished. Over Rs 60 lakh worth of looms were destroyed. Varanasi Mayor M.S. Ansari is worried the weavers will take a long time to recover as the looms are expensive, costing at least Rs 10,000 each.

The mobs had been brutal in their frenzy. In Sarinandan, a rampaging group ransacked a house where three looms were making *zari* sarees, each costing over Rs 2,000. The sarees are still there on the looms, half-torn and half-burnt. They then made human torches of two women and battered a third to death. In Godhulia area, a man's head was smashed with bricks. And in Jakha, 111 houses were destroyed and 60 burnt down.

Most of the victims now spend the day under clumps of trees, waiting for salvation from the Government. Mohammed Akhil Shah, a weaver, stands with his wife and two children in his roofless house, bereft of all belongings. When officials came to survey the damage, they insisted he could not have lost more than a few hundred rupees worth of household goods and refused to take down his estimate.

In a show of anger, over a hundred victims turned down the compensation of Rs 2,000 each last fortnight, saying the state Government was adding insult to injury. Among them was Mohammed Haroon, a weaver whose loom was destroyed and house looted. The trousseau he had collected for his daughter has been looted and he now wonders how he will feed his 11 children.

Other Muslim weavers share his sense of anger. Many, who had their looms and houses burnt, were later implicated in false cases. Says a distraught Alia biwi, whose husband was arrested after seven looms were destroyed in their house: "We may never be able to rebuild so many looms."

The weavers' fears are justified. Their work is highly skilled and it usually takes at least a fortnight to weave a good *zari* saree costing around Rs 2,000. Most weavers have to depend on businessmen to provide the raw material and to market the final product. From the industry's perspective, 500 looms may not seem much in the heartland of *zari* and silk weaving where nearly 3 lakh looms are working. But the point, as Ansari says, is that poor weavers have been dislodged and may not be able to bounce back into the only tradition they knew.

Muslim weavers feel they were victimised as they were Janata Dal supporters. Says Mohammed Yasin, a youth helping those affected: "We wish the BJP had come to power at the Centre. Only then will they stop hounding Muslims and act responsibly."

Meanwhile, the major concern is, when will the looms come to life again? That depends, to a large extent, on the attitude of the new Government in the state.

—RAMESH MENON in Varanasi

Photographs by PRASHANT PANJIAR

The riots have destroyed over 500 looms and it will take a long time for the poor weavers to recover the loss.

Shah with family (left); burnt saree: bleak future

Like all spies, she'd been trained to notice things the moment she entered a room.

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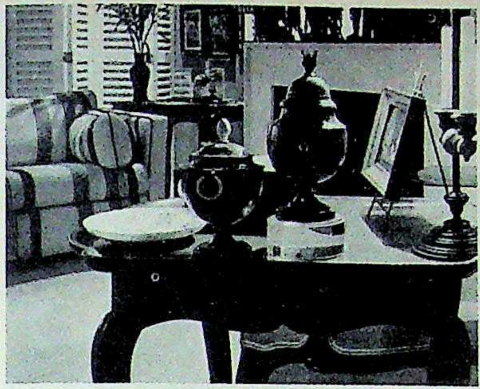


Nothing escaped her. Each tiny detail of the room was noted and filed away behind those dark eyes.

Finally her gaze swept upwards to the ceiling. And froze.

"The fans", she murmured, "who chose them?"

I spoke for the first time, "I did. I picked them up the day I bought this apartment. Is there something wrong with them?"

(They were from Usha's Classic Collection—but I had to be polite.)

A hint of a smile creased her face as she turned to me, "Not at all. But may I see a little more of your apartment?"

I wordlessly took her on a guided tour.

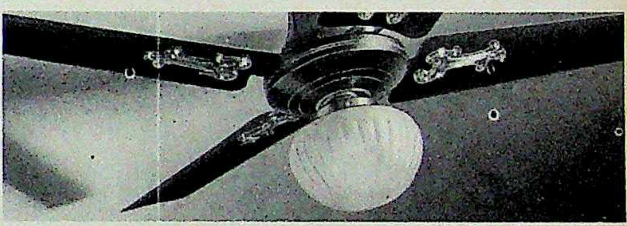
(I did, of course, make a quick mental note to keep her out of the kitchen, which was an unholy mess.)

The dining room, the bedroom, and the study were all inspected. Quickly, calmly, professionally.

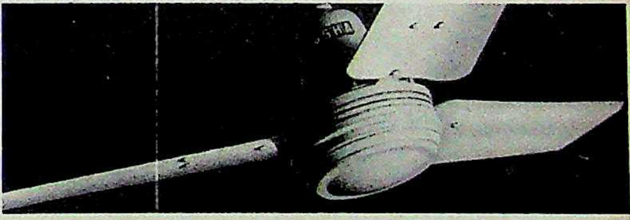
(The watercolours my grandmother had presented me interested her as much as the Classics hanging from the ceiling.)

In ten minutes we were back where we started from—the drawing room.

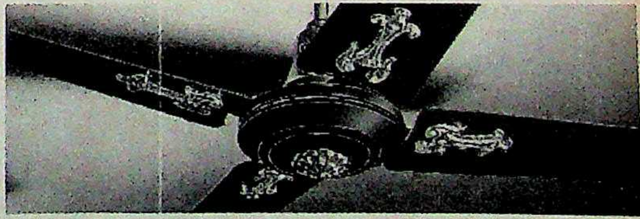
She turned to me and smiled. "You've been passed", she said, "Mother was right. You're good enough to marry my sister". I did all I could to control a sigh of relief.



The 'Luminaire'. A fan and light combined, in velvet brown with rich gold flanges.



The 'Stella'. Clean, classic lines in ivory white or brown.



The 'Kohinoor Super Deluxe'. Streamlined grace in gold and brown.

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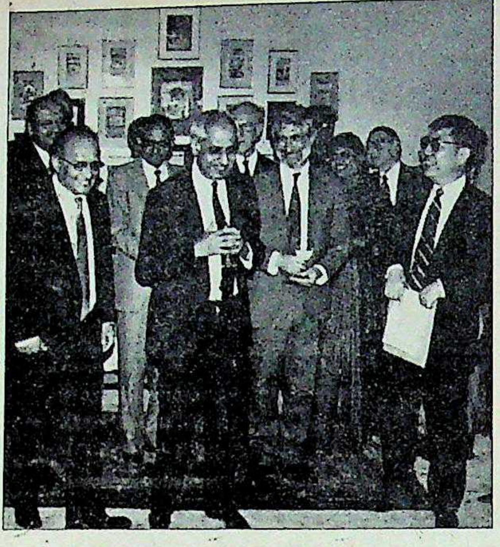

RAJIV SETH

Donors at Berkeley function

IT'S a case of a community's affluence demanding influence. The Asian community in California decided it was high time South Asian Studies were given a higher profile in American teaching institutions. So, in an unprecedented gesture, 500 of them dug deep into their pockets to raise $800,000 (Rs 1.4 crore) for two endowments in Indian studies at Berkeley University. The move inspired Berkeley University to set up an Indo-American Community Chair in Indian Studies.

The money has thrown a life-line to South Asia scholars. Compared with their more privileged counterparts specialising in South-East Asia, the Middle East or Europe, they have been positively starved of funds. Interest in India peaked in the late '60s, the heyday of young dilettantes flirting with Ravi Shankar, sinking into transcendental meditation and spouting Sanskrit. But the decline, when it came, lasted over a decade. Only now is South Asian Studies emerging into a new dawn of popularity. The revival has a lot to do with the fact that 30-50 per cent of students attending South Asia courses at Berkeley are of Asian origin. This changing composition of the classroom has sparked off a lively controversy over the way the subject is taught and who teaches it.

The demand is for more Asian scholars to teach South Asian Studies, an end to ethnocentric perspectives imposed by westerners as also a greater emphasis on contemporary issues and the social sciences rather than the classical approach. Scholars feel it is time to end the obsession with "Hindu India" and for more attention to be paid to India's minorities, the regions and for more stress to be laid on political science, economics, sociology and anthropology. In other words, an end to the exclusively "humanities" approach which has prevailed so far.

Says Syed Vaheed Husain, a successful architect who contributed funds: "All those who gave, whether Hindus, Muslims or Sikhs, felt we had to rise above communal pettiness. We are all Indians. We all represent India." Such an all-encompassing approach is exactly what South Asia students and scholars feel is needed to transform South Asian studies into a subject of modern relevance and topicality.

—DEEPTI KHAROD AHMAD in California

DINESH D'SOUZA

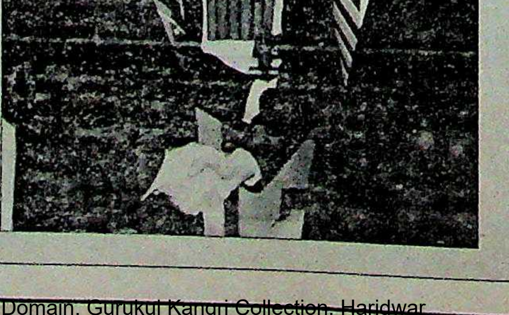
Rapid Rise

HE'S more Republican than the Republicans themselves. And he's made political and academic circles in Washington sit up and notice him. Recently, Dinesh D'Souza, 29—the boy from Bandra—has been making headlines in the US with his controversial new book *Illiberal Education: The Politics of Race and Sex on the Campus*.

While D'Souza may be getting rave reviews in the right-wing press, he's the *bete noire* of the liberals, blacks and Asians. The reason: though an Asian immigrant himself, D'Souza refuses to go the minority way but identifies with the white majority. Says he: "Affirmative action yes, but based on economic disadvantage, not race."

Most provocative of D'Souza's views: by opening their doors to minorities, US universities are churning out poorly-prepared anti-intellectuals. David Merkowitz, director of pubic affairs at the American Council on Education, told INDIA TODAY that D'Souza's book is closer to ideological propaganda.

D'Souza with Reagan



Either way, D'Souza's is an amazing success story. He went to the US at the age of 16 as a Rotary exchange student. After graduating from Dartmouth in 1983, he went on to study at Princeton. In 1985 he became managing editor at *Policy Review*, a policy magazine in Washington. In 1987 D'Souza became domestic policy adviser to Ronald Reagan—at the age of 26 while still a "green card holder".

Today D'Souza works with the American Enterprise Institute, a Washington think-tank. His future plans? "I don't rule out the possibility of returning to the White House in the second Bush Administration." The way he's going he may make it.

—LUDWINA JOSEPH in Washington

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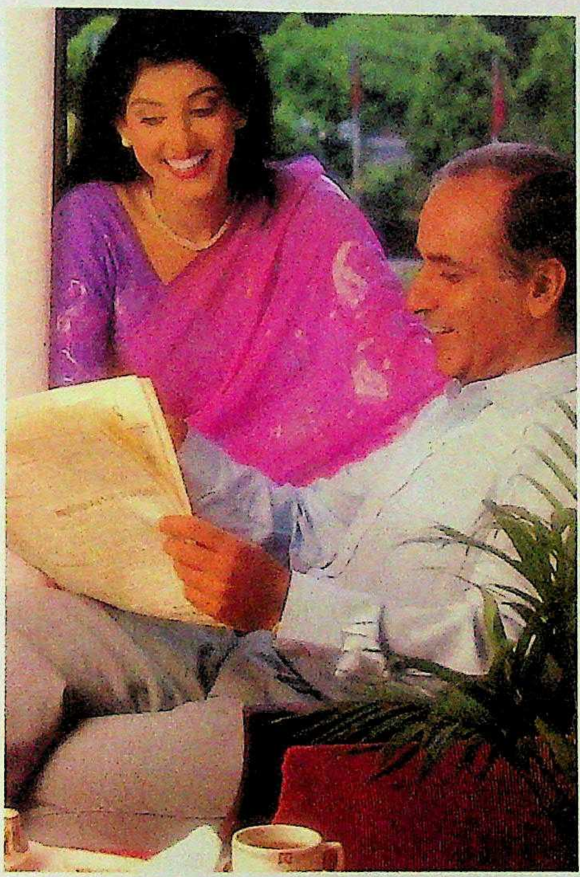

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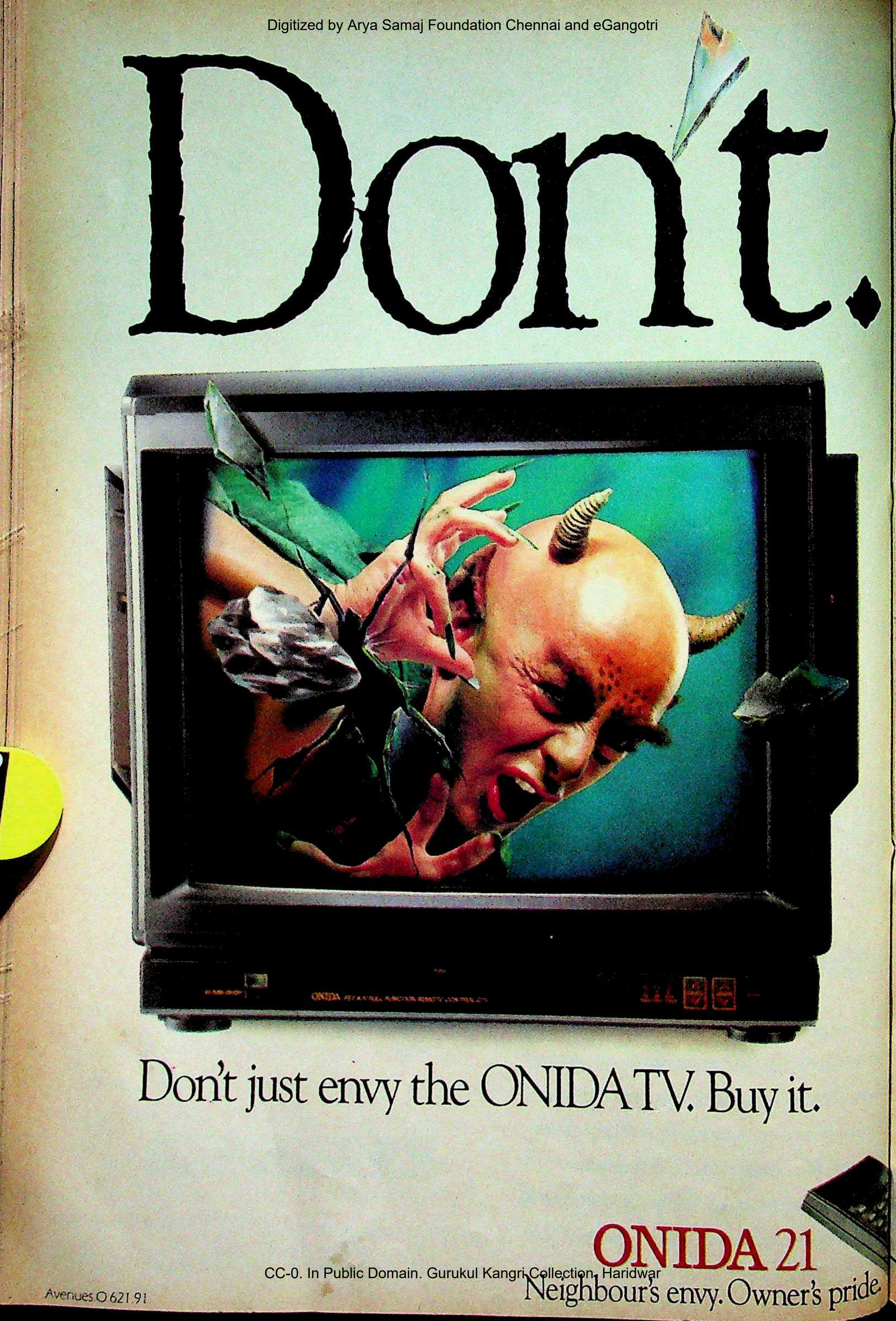
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A Candid Portrait

Authorised biography throws light on Sardar Patel

PATEL: A LIFE
by RAJMOHAN GANDHI
Navjivan Publishing House
Pages: 613; Price: Rs 200

PATEL
A LIFE

JAWAHARLAL Nehru's *weltanschauung* of visionary socialism and secularism is in a shambles, and credo-changers are on the lookout for an alternative political paradigm. Some, at least, would be tempted to look back to Sardar Vallabhbhai Patel to provide the hard-nosed realism at a time when the rhetoric of dreamy idealism seems to have bitten the dust. And the move to appropriate the Sardar's legacy is, partly, reflected in the belated decision of the Chandra Shekhar government to award the *Bharat Ratna* to the Iron Man. Rajmohan Gandhi's biography of the Sardar comes at a time of political re-thinking, though his intention of writing it was to find out whether his grandfather Mahatma Gandhi had been unjust to the Sardar while favouring Nehru. The Nehru-Patel rivalry continues to be intriguing, and another book on it would be read avidly.

It is no easy task, because Patel's conservatism is being misinterpreted by both the Hindu right-wingers and by the shrill defenders of Nehruvian secularism. Rajmohan is at his best in presenting an honest picture of Patel's stand on issues like communalism, his attitude towards Muslims, the capitalists and the former princely rulers.

Rajmohan is not willing to be apologetic about the weak points of Patel. He sets them forth with admirable candour while at the same time putting forth Patel's views and his little-known acts of generosity and courage.

Admitting that Patel was more of a Hindu politician, with few friends in Muslim social circles, Rajmohan notes: "...while Vallabhbhai's frank tongue revealed his Hinduness, many an observer failed to see Patel's effort to enforce the law, or his anxiety to save Muslim lives".

On September 30, 1947, Patel rushed to Amritsar on hearing that the Sikhs intended to attack Muslim convoys, and appealed to the jathedars and leaders to protect the Muslims. The appeal was heeded.

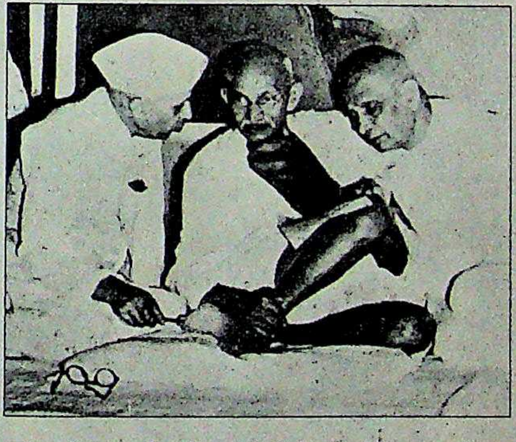
Rajmohan has attempted to portray the total personality of Patel, undaunted by the fact that the myriad little details of personal life—the family connections, intimate relationships, moments of inner life which reveal a man—are all missing. Like millions of his countrymen, Patel let pass into oblivion the feelings and thoughts that assail a man through the storm and stress of a long life. Rajmohan makes a brave attempt to get a glimpse of it.

What were Patel's feelings when he set up an independent home with his young wife Jhaverba in the small town of Godhra in 1900, immediately after passing his pleaders' test? Vallabhbhai was then 25 and Jhaverba 20. Rajmohan writes with a biographer's innate sympathy: "Their times and customs, fortified by Vallabhbhai's reserve, ruled out any mention to a third party of a couple's happiness in each other, or of a man's feeling for his young wife, or, unless they had crossed a boundary, of moments that cloud domestic felicity."

The rivalry with Nehru, and Gandhi passing him over whenever a choice had to be made between the two, must have rankled in the older leader's heart. But such was Patel's absolute loyalty to the Mahatma that he accepted the decision of the master with stoic dignity. And Rajmohan implies that Gandhi was quite right in his choice despite its overtones of favouritism because Nehru, for all his impetuosity, was a man with his own vision of a modern India which Gandhi recognised without agreeing with its content.

Conservatism is a dominant undercurrent in the Indian freedom movement, but the conservatives never got their due recognition because the vocal minority, which chronicled and focused on the events, was more on the left end of the ideological spectrum. It is to the credit of the liberal Rajmohan that he has undertaken to correct the neglect of the quiet conservatives' contribution. He has written a two-volume biography of Rajaji. And now comes the life of Sardar Patel.

—PARSA VENKATESHWAR RAO JR



Patel with Gandhi and Nehru: old comrades

EXCERPT

According to some who knew him at this time and later the denial of Congress' presidency in 1946 'rankled' in Vallabhbhai's spirit. Disagreeing, others point out that the selection of Nehru did not affect Patel's involvement in Congress and governmental affairs. The fact that Gandhi had given Jawaharlal a chance to withdraw may have softened the blow felt by Vallabhbhai. In any case he did not sulk. A week after Nehru was nominated, Patel was making everyone, including Gandhi, 'laugh a lot'.

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Corny, porny, horny

STARRY NIGHTS
by SHOBHA DE
Penguin
Pages: 234; Price: Rs 65

IT'S a hard De's night. Four-letter words punctuate this novel as ubiquitously as the commas. This slim novel, the author's second, has everything going for it. A seductive long-tressed nude painted by M.F. Husain for the cover; the glamorous photograph of the writer by Gautam Rajadhyaksha; and then the subject: the torrid life and times of the protagonist, a dusky actress from the south with a mole above her cosmetically pouted lips, whose reign over filmdom is shafted by her obsessive love for the "reigning stud of 70 mm" with brooding eyes, an intellectual who reads INDIA TODAY and is dying. No prizes for guessing who. There are so many red herrings in the book that in the end nobody cares about the real fish.

It's all the stuff that *chatpata* film gossip magazines are made of, and far, far more explicit. But then, perhaps, that is the problem with the book. It's a bung-it-all-in novel, the plot a string of stories from magazines like *Stardust* (of which the authoress has been editor) and *Cine Blitz*. Aasha Rani, the heroine who could recite the *Kamasutra* backwards, could well be a collage of Rekha, Sridevi, Hema Malini, Vyjanthimala and lesser mortal queen bees of the celluloid world. And into her eventful life are thrown in powerful dons, a lesbian journalist, a shady distributor, a pimp-mother, a New Zealander she marries, an arms dealer. Even a Pamela Bordes persona who makes a, well, guest appearance.

This could have been a nice picaresque novel about the trials and tribulations of the star-crossed heroine, and an insightful look at the biggest dream machine in the world. De, with her penchant for the right words, could have done much better. But then perhaps, both she and her publishers just wanted another best-seller with all the hot stuff possible.

In the end, she ends up with a textbook sizzler. Worse, this is second-hand sex. From soft-porn films and novels manufactured to prescription by the Krantz's and the Collins'. Whether it is, quite literally, the high-flying Aasha Rani doing sexual gymnastics in airplane toilets with a stranger, with crushed ice on her nipples, serving brandy made all the headier placed as it is in the most private of places. Or the more *desi* high jinks of Seths with easily undoable dhotis. Or lesbian love in soft-focus gloss.

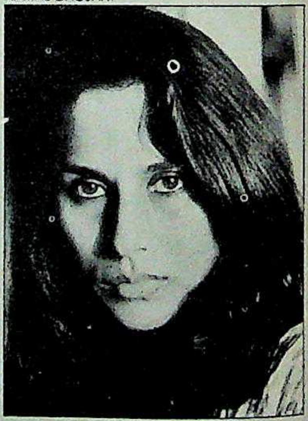
At least, De is moving. From Socialite Evenings to Starry Nights— maybe Dewy Dawns? More deja vu.

—MADHU JAIN

EXCERPT

He kept looking at me with his bedroom eyes and then he said, "Let's do the interview later, afterwards." I still didn't understand what he meant. And then my eyes went down to the table. What do you think I saw? His fly was open, and there he was, raring to go! He'd placed his tool on the table top and all the while I'd thought it was a cigar! I screamed with shock and jumped to my feet.

NAMAS BHOJANI



De: smut glut

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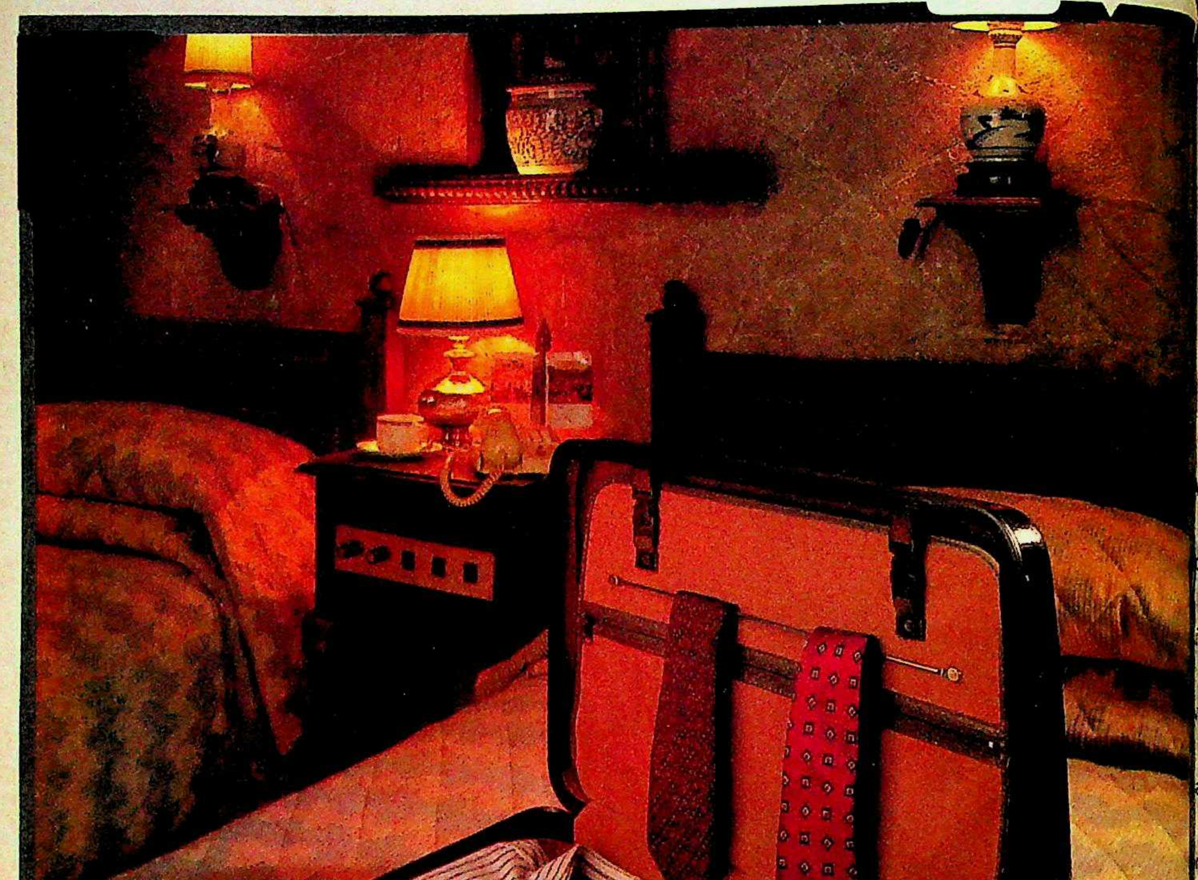
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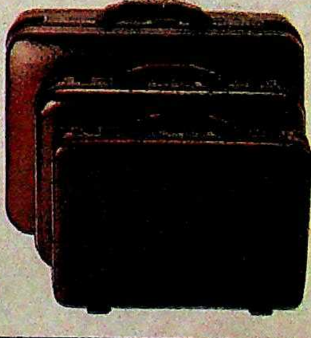

WORLD CLASS
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OVE UP IN STYLE

Ali: ready to roll

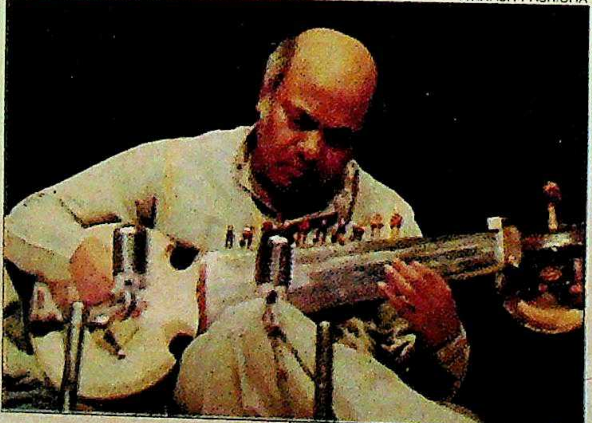
Border Bomb

◆ So, the border crossings continue. The new kid in town is Pakistan-born actress **Somy Ali** who is gearing up to make a splash in Bollywood. And what a casting coup it is: Ali will be making her debut opposite teenage heart-throb Salman Khan in a film titled *Bulund*. "I have already refused one film offer," she confesses. "Dharmendra approached me to star with his son Bobby in a movie called *Champion*. But I was supposed to wear a swimming costume, so I dropped the offer." Such minor hiccups apart, the coy debutante is ready to roll.

A Dollar A Note

◆ If music be the food of love, then play on. And on. And that is exactly what sarod maestro **Ali Akbar Khan** plans to do after bagging the $375,000 MacArthur Fellowship which comes with no strings attached. "This music is not for entertainment, it is food for the soul." What does he plan to do with the money? He's not sure yet, but has long thought of recording as many rare ragas as he can and building an archive of classical music. Meanwhile, his latest album *Journey* is moving up on the world billboard. Clearly, the 70-year-old musician is still strumming away at the speed of a dollar a note.

AVINASH PASRICHA



Khan: classic catch

Sugar Daddy

◆ The girl in the drop-dead minis, **Pooja Bedi**, has finally come of age. And her 21st birthday was rung in with "a wild, freaky, just whacko" party. However, it was papa Kabir who provided the real icing to the birthday cake. Midway through the party at Bombay discotheque Go Bananas, he dragged the bopping birthday girl off the floor and presented her with a silver-coloured Maruti Deluxe—all wrapped in ribbons and surrounded by flowers. But when Pooja wanted to drive home after the party at five in the morning daddy put his foot firmly on the brake. "Not till you get your licence," he commanded. Till then the car stands in the show room. How does it feel to be 21? "I feel ancient. I hate growing old. I am 21, and it seems like I have come a long, long way." You sure have, baby.

GAUTAM RAJADHYA

Pooja: big baby

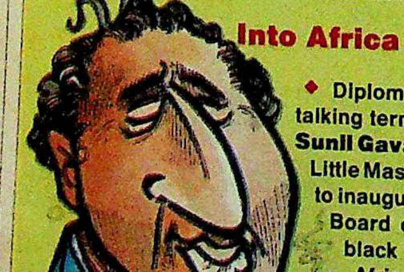
SAIBAL

Ray: quashing critics

Ray's Wrath

◆ Normally, critics do rattle maestro **Satyajit Ra** But when good frie Chidananda Das Gupta to apart his film *Shakha Prashakha*, Ray hit back in Th *Telegraph*. Wrote he: "Such lazy viewing must demo Das Gupta from the positio of prominence he has held a critic for the last 30 years Replied Das Gupta: "It amusing, as well as sad to se Satyajit Ray out with his fly swatter once more to quas any (Indian) critic who dare raise his voice."

Into Africa



◆ Diplomatically, we're not even on talking terms. But that hasn't stopped **Sunil Gavaskar** from saying yes. The Little Master is going to the taboo land to inaugurate the new United Cricket Board of South Africa. "No more black and white says the South African Government. That's good news for cricket," says he. Gavaskar will be a special guest along with all-time greats Garfield Sobers and Imran Khan. Will Gavaskar lobby for the South Africans to come to India to play? "Oh no," he exclaims. "I'm going there to attend the banquet. I'm just going there to eat." Now, is that cricket?

Cartoon by JAYANTO

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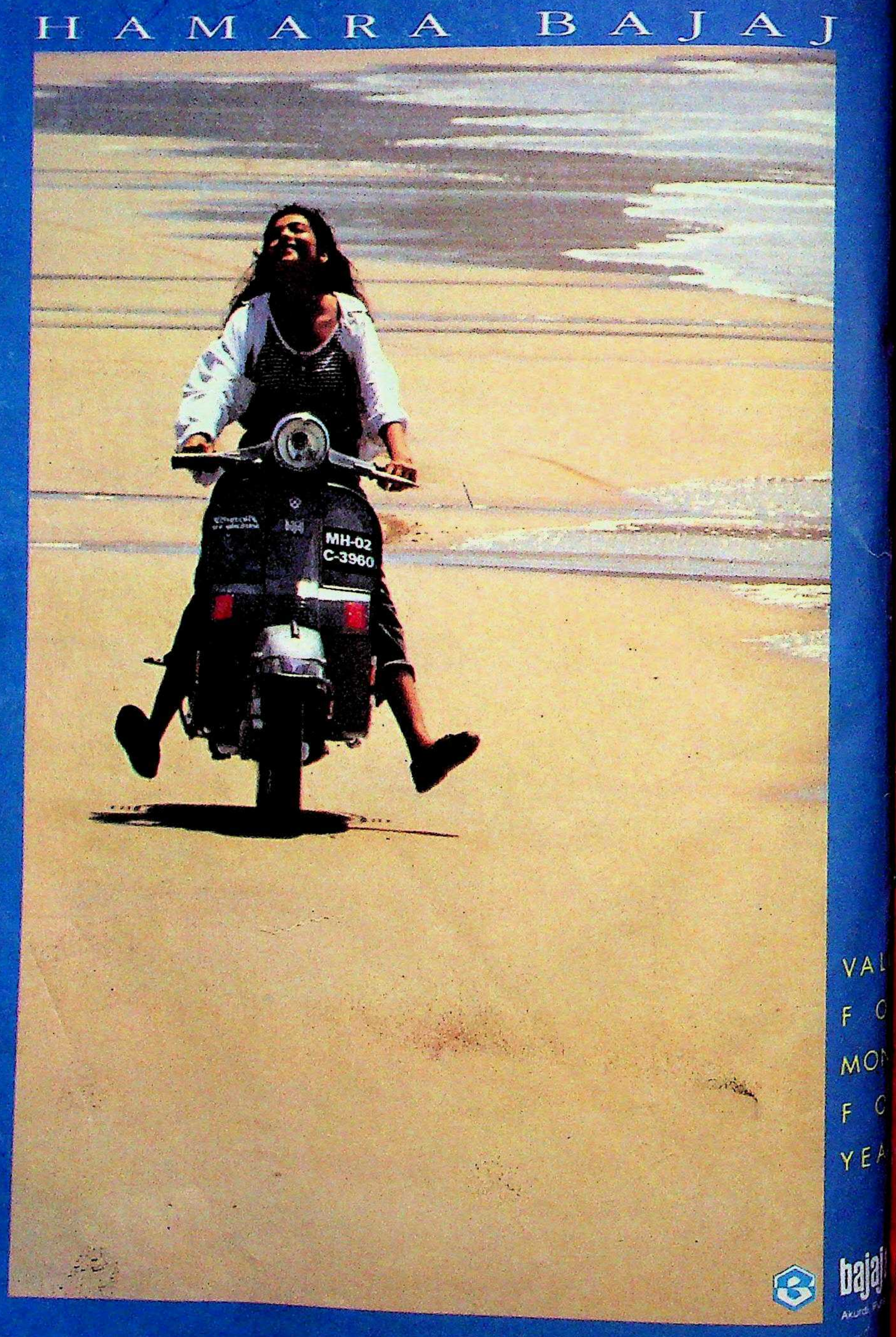
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INDIA
TODAY
JULY 31, 1991

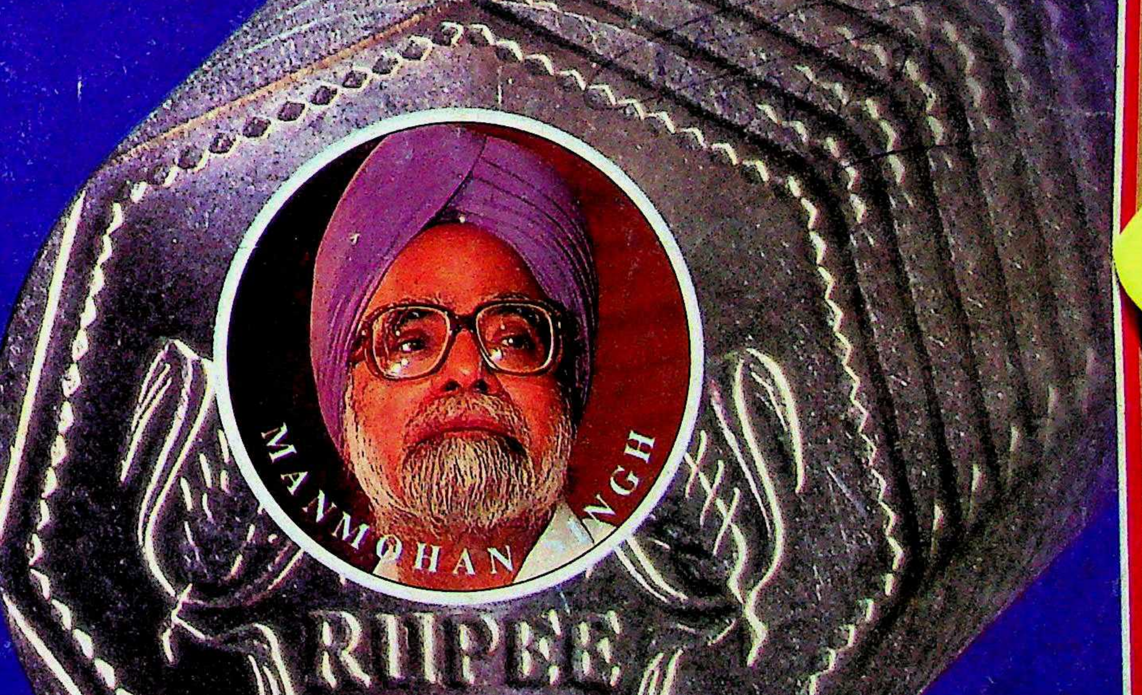
ASSASSINATION PROBE
THE MANHUNT ACCELERATES

CONGRESS(I)
STRATEGY FOR SURVIVAL

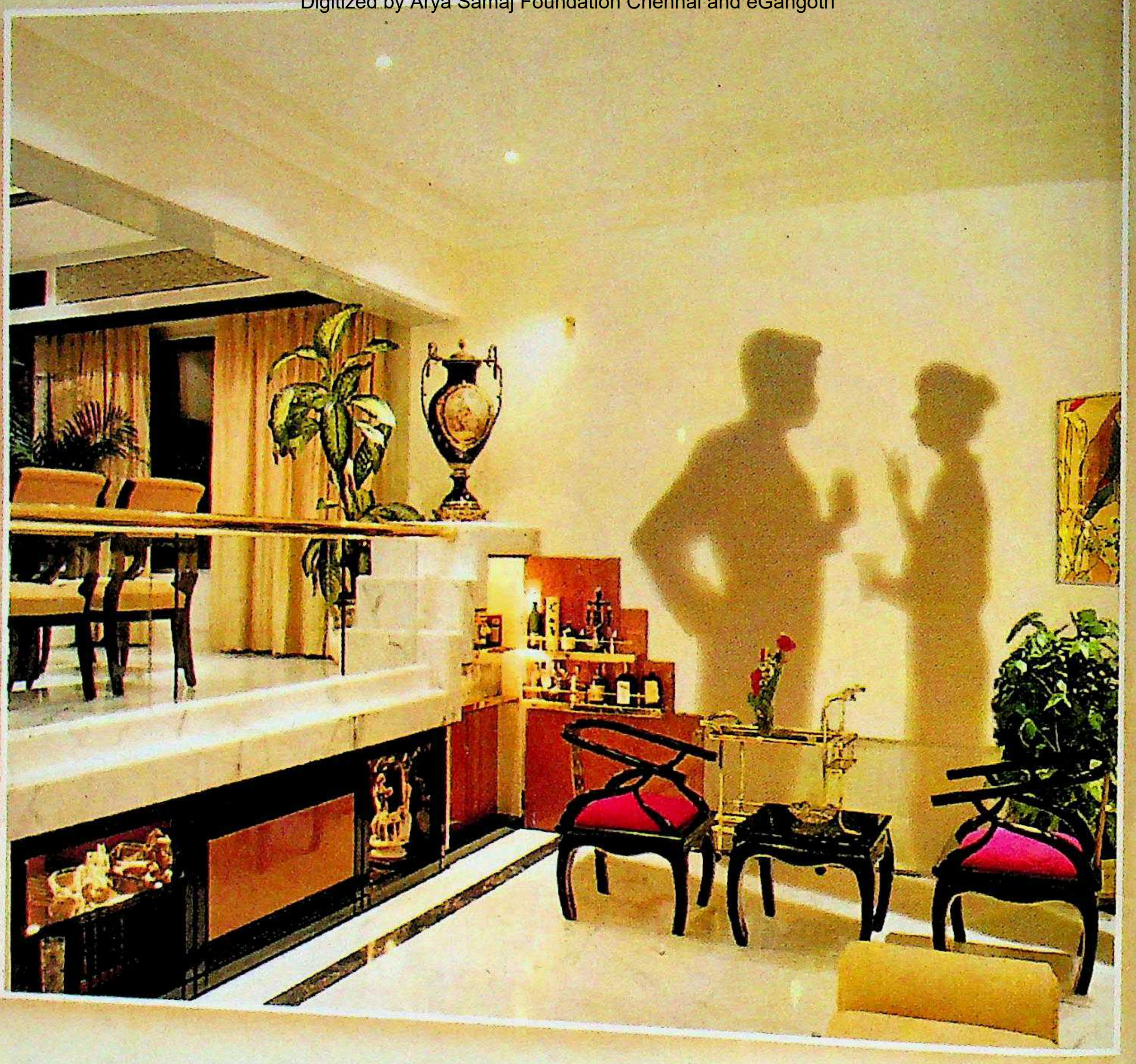
SIVARAS

THE ECONOMY

SHOCK TREATMENT


MANMOHAN SINGH
RUPEE
1991

WILL IT WORK?



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IN FOCUS THIS FORTNIGHT

Shock Treatment

The Government has blitzed through with devaluation and trade reforms, and major industrial and foreign investment policy changes are expected soon. But there are many questions. Will the Congress(I) go through with it? Will the Opposition let it? And finally, will the measures work?

COVER STORY.. 22

Interview with Rao

Most people thought of him as docile and undynamic, but P.V. Narasimha Rao today heads a government that appears to be on the move. The prime minister answers a wide array of questions. Plus a look at the Congress(I) strategy for negotiating the coming Parliament session smoothly.

SPECIAL REPORT.............................. 34

Back to Bhondsi

Like a warrior come home, former prime minister Chandra Shekhar now spends his time away from the tensions of government in the sylvan surroundings of his farmhouse in Bhondsi. He is overseeing the work of his Trust and is content to be by himself. But he hasn't written himself off politically.

SPECIAL FEATURE............................ 56

Reaching for the Stars

The fringe people of the celluloid world—suppliers of equipment to the Hindi film industry—have made big money and contacts over the years. Today business is so good, they have made the transition from being relative outcasts to producing and directing films of their own.

BUSINESS FEATURE........................ 60

Labour of Love

For two decades, Raj Kapoor had cherished the idea of a film on love across the borders. For the man from Peshawar, Partition was something he could never reconcile himself to. In *Henna*, released last fortnight, the grand showman's three sons have translated his dream onto celluloid.

CINEMA.. 96

On the Wings of Success

Overcoming the handicap of being disabled and wheel-chair ridden, Bombay-born Firdaus Kanga is busy carving out a literary niche for himself. He is in London, enjoying himself hugely, and in the wake of his acclaimed novel *Trying to Grow*, has just published a travel book on England.

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Cover design by PEALI DUTTA GUPTA

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“MANY DREAMS HAVE BEEN BROUGHT TO YOU OOR

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YOU DOORSTEP."

Mona Lisa's mystic smile will always remain an enigma. And as the words of the song imply, it's as alluring as a dream that seems so close, so near. The Maruti 1000 is one such captivating dream. And if you can see it as a lovely work of art, why then, go put a song in your heart.

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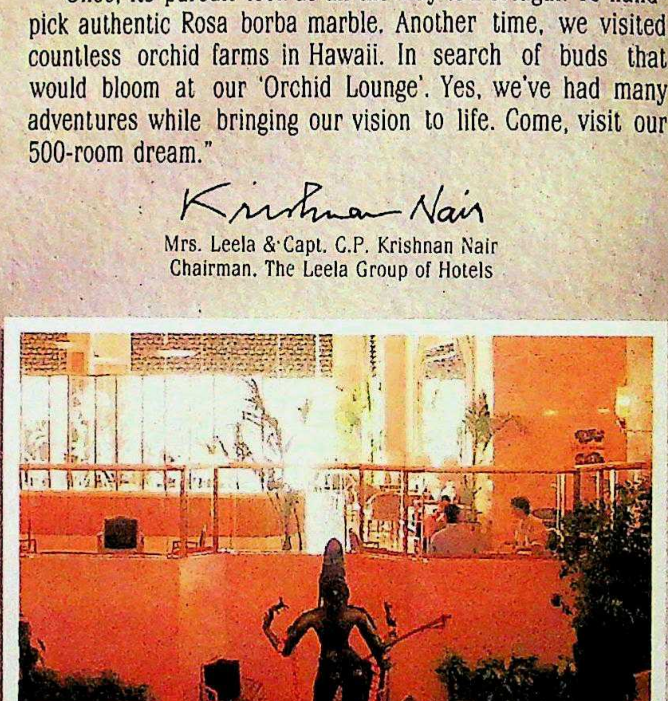

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BACK TO THE FUTURE

So we have the old boys back in the saddle again ("Back to the Old Guard", July 15). It is unfortunate that the new prime minister has not shown any signs of innovation and has retained the old coterie to achieve so-called progress. Worse still, he has formed an airbus ministry in an attempt to appease as many Congressmen as possible. India has the same bunch of people in power who had once used their clout to achieve individual fame and glory.

Bangalore **CHIDANAND KUMAR**

■ The Congress(I) is behaving as if it has secured an absolute majority in the Lok Sabha. Perhaps it is expecting defections and therefore does not feel inclined to ask for support from any of the other political parties. This attitude reflects opportunism. Keeping in mind the various challenges facing the country at this time, it would be preferable if the Congress(I) sought support from other like-minded parties and saved the nation the trauma and expense of another election in the near future.

Adoni, Andhra Pradesh **HINDUMAL M. SHAH**

GOOD JOB

The Special Investigation Team deserves a wholehearted pat on its back for unveiling in such a remarkably short span of time, the Machiavellian, Forsyth-like plan of the assassination of Rajiv Gandhi ("The Inside Story", July 15). I sincerely hope the team keeps up its zeal and hard work until it fully exposes, before an indignant nation, all those people who were responsible for the sudden and tragic death of such a promising politician.

Dehra Dun **VIMAL KAPOOR**

RIGHT TO VOTE

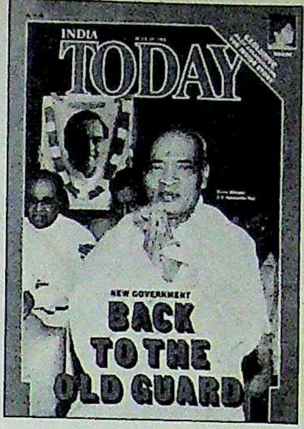
The Congress(I) says that elections cannot be held in Punjab because the situation is not peaceful and if a poll is conducted now, it would not be free and fair ("Floundering Move", July 15). But aren't they the ones responsible for the mess the state is in today? And now they even want to take away our right to vote.

Ludhiana **SUNNY DHALIWAL**

DELAYED LAURELS

Forty years after the death of Sardar Vallabhbhai Patel, the Government suddenly decided to confer the Bharat Ratna on him (Signposts, July 15). However the pertinent question is, what caused the delay? Were we unsure of his greatness until now? And what is the rationale behind equating a decade of Rajiv Gandhi's stint in politics with a lifetime of selfless service by Sardar Patel?

New Delhi **SONALI MARU**



These elections show that the Congress(I) and the BJP are the only major parties. The other parties should now merge with them and avoid another election.

Indore **PRABHAKAR S. HARSOLE**

Prannoy Roy's predictions make me wonder if we could do away with elections next time and form a government on the basis of his forecast?

Calcutta **IMTIAZ CHOWDHRY**

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SCOPE FOR HOPE

The debate on liberalisation ("Towards Consensus", June 30) was interesting. In a group comprising bureaucrats, managers, entrepreneurs, politicians and economists, the most sensible comment came from the politician: "If the policy prescription for higher output and greater efficiency is linked with distribution and justice, then it will percolate to all levels of society." And the most frivolous came from the economist: "There aren't too many countries in the world where you can buy driving licences." One tends to conclude that our politicians are more convinced of the benefits of liberalisation than our economists. There is still hope for our nation—only if we defy our economists.

Bombay **U.K. MUKHOPADHYAY**

CHANGE THE SYSTEM

Why do we persist with the booth system of voting which, in spite of elaborate precautions, repeatedly fails ("Steps for Electoral Reforms", June 30)? We should abolish it altogether thus eliminating booth-capturing, impersonation and mass intimidation. Each booth should cater to around 1,000 electors, residing in about 200 serially-numbered homesteads, located in a compact neighbourhood. On polling day, only the polling staff and candidates' representatives should go around to voters' homes with the electronic voting machine on wheels. All hassles, including the polling day's back-breaking expenses, will be avoided. And there will be 100 per cent voting—so vital for democracy.

Muzaffarnagar **B.P. SHARMA**

POLICING THE POLICE

With violence having become part of our daily lives ("Brushed Aside Callously", June 15), I think law and order should be shifted from the state list to the Centre. And, with the examples of Punjab, Jammu and Kashmir, and Assam before us, we Indians should put our foot down firmly as far as interference with the police is concerned. Instead of being the private army of politicians, it is time the police were freed from the clutches of vested interests and made a responsible group.

Bombay **S.S. SHARMA**

FEARLESS FUNCTIONING

Chief Election Commissioner T.N. Seshan, who is one of the most upright bureaucrats in the nation today, is being crucified by the press for his fearless functioning ("Sharpshooting Sheriff", June 30). Though a lot of people are happy that he countermanded polls in certain areas, it is only the politicians who are crying themselves hoarse over his actions. All that is needed is an opinion poll to see what the common man feels about the election commissioner's functioning.

Nagpur **PUNEET KRISHNAN**

MILLION MUTINIES NOW

Your analysis of India without Rajiv ("The Elusive Spark", June 15) was excellent in that it painstakingly identified the ills in our polity. Our citizens are becoming reconciled to the fact that mediocrity is here to stay instead of real progress. The common man has lost faith in the system and despair is destroying any motivation to demand change. Among the conceited clowns parading our political stage nowadays, no one is truly capable of restoring that lost faith. We wanted leaders but have been stuck with ruthless rulers. What bigger tragedy could there be? What is needed—more than an overhaul of our institutions—is a change in the collective mindset of the people. It's time for the tired masses to revolt.

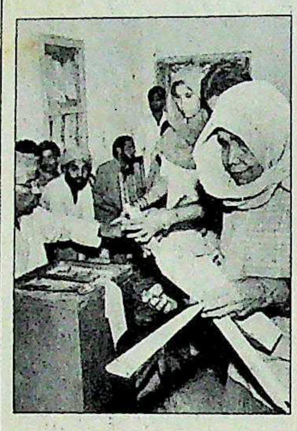
San Diego, USA **SRIRAM KALAGA**

■ Rajiv had his failings, but as a human being he towered above his compeers in politics and was remarkably free of the lust for lucre. In his tragic death we have lost, perhaps irretrievably, the vestigial possibility of rehabilitating some time-honoured values in our public life, of which our politicians as a tribe are notoriously bereft.

Chandigarh **DR D.C. SAXENA**

The law should make contesting elections more difficult by raising the deposit amount. This will sieve out the non-serious candidates.

Bombay **K.P. RAJAN**



Is parliamentary democracy really worth it—poll violence, expensive elections, hung Parliament? We should, instead, adopt the presidential system.

New Delhi **ANIL SATWIK**

SENTIMENTAL SUGGESTION

Every Indian unreservedly shares the inconsolable sorrow of Sonia Gandhi ("Succession Shenanigans", June 15). But to allow the sentiment to degenerate into sycophancy and try to make her prime minister is ridiculous, to say the least.

Bombay **E.N. SHANKAR**

CONFUSED CATEGORISATION

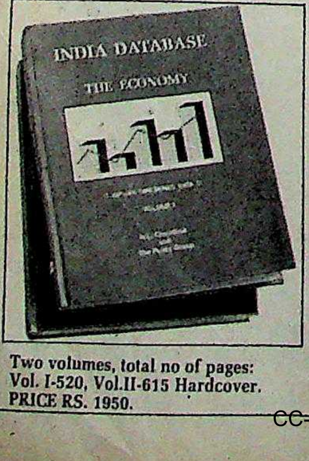
While the term 'fundamentalist' to describe me is presented as M.J. Akbar's view and even placed within quotes in the story, the headline gives this identification your mark of approval ("Fundamentalism vs Secularism", May 31). This categorisation is neither rational nor scientific. The antonym of secularism in the Indian context is communalism, not fundamentalism. Indeed, many fundamentalists may well be perfectly secular: Mahatma Gandhi and Maulana Azad come to my mind, so do Kamalapati Tripathi, Agnivesh and Akshay Brahmachari.

New Delhi **SYED SHAHABUDDIN**

DIFFERING VIEWPOINTS

The reason ascribed by you for the uncompetitiveness of the Indian industry, namely the lack of internal competition, is clearly wrong ("Addressing the Real Issues", May 31). One look at the advertisements in your own magazine is enough to realise how intensely competitive many sectors of our economy are. In my opinion, the two reasons for uncompetitiveness are: the non-availability of raw material and the inability of consumers to pay high prices. Given these limitations, our industry is performing reasonably well.

Yamunanagar **RANJIT PURI**



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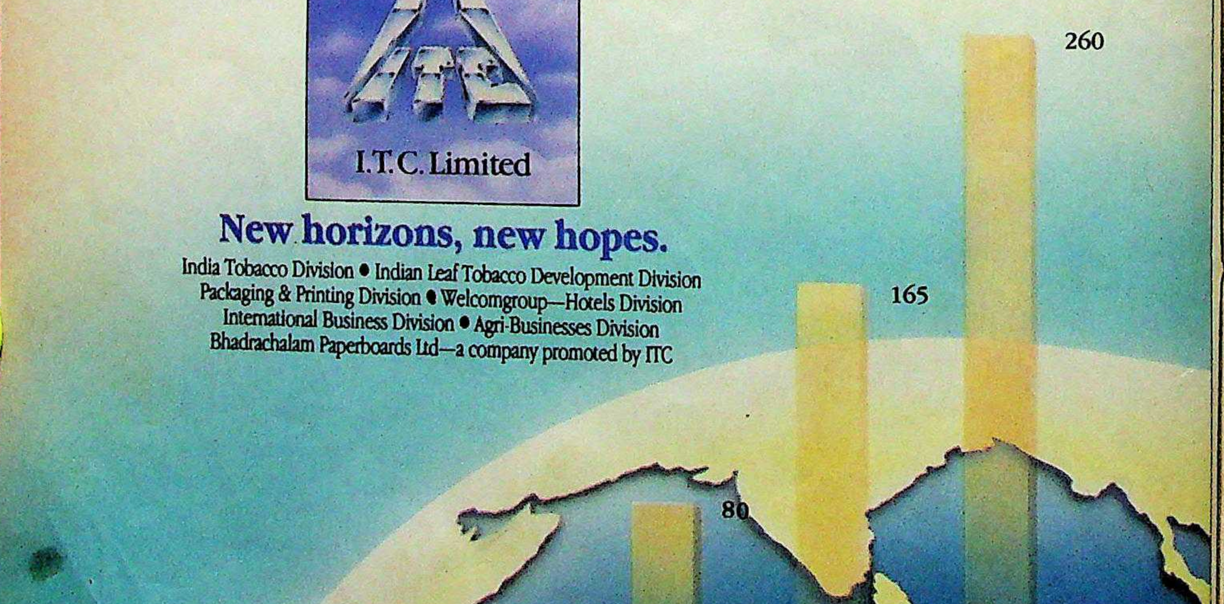

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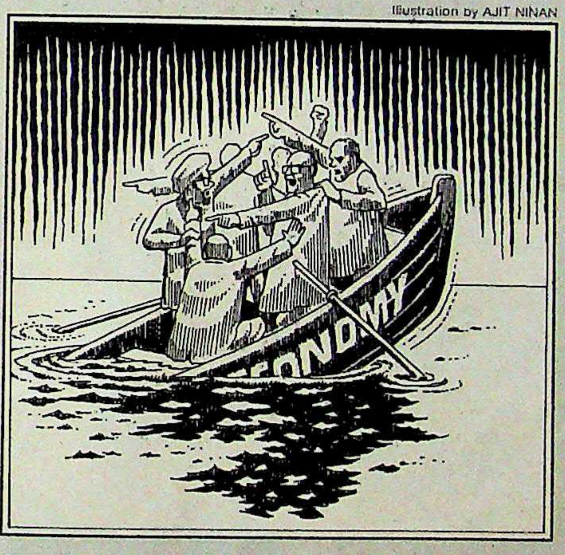
Need for Economic Consensus

THE fun and games look like they're resuming once again in India's political economy. Only, given the state the economy is in, it is doubtful if anybody can have any fun playing dangerous political games. The hefty devaluation of the rupee in early July drew the expected Pavlovian response from the Opposition of a sell-out to the International Monetary Fund (IMF)—never mind that it is not the Fund that's forcing India to borrow.

National honour is at stake all right, but not in the sense that the opposition parties would have us believe. If setting an unrealistic value for the rupee is the right thing for the economy and the honourable thing to do, any mandarin in North Block would have been able to fix the Indian economy a long time ago. But the real shame is the way the Government has, over the years, debauched the rupee by failing to keep its own expenditures in check, by letting prices run riot, and by legislating a high-cost economy driven by controls and shortages. For this we have not only the Congress(I) to blame, but also the Opposition, which has been no less a contributor to the idea of big government and waste of public resources in the pursuit of asinine populism *a la* loan waivers.

Illustration by AJIT NINAN



It may be easy to dismiss politicians as politicians, but this is not the time for anybody to score debating points. West Bengal Chief Minister Jyoti Basu has tut-tutted about the "manner in which the entire (devaluation) exercise has been conducted", especially the Government's failure to consult political parties. But devaluation is done best when done quickly and stealthily; prolonged parleying would have rendered the move counter-productive for it would have completely stopped the inflow of foreign exchange, with dollar holders preferring to hold on in the expectation of a devaluation. The BJP was at its dishonest best when it accused the Government of doing the IMF's bidding when its own policy prescription in other areas—like privatising banks—sounded suspiciously like what the Fund is suggesting. As for the Janata Dal's claim that the devaluation would have dangerous consequences for the economy, the question that needed to be asked was: would the consequences of inaction have been less dangerous for the country?

The absence of economic consensus at a time when the Government of the day lacks a viable majority of its own can do enormous damage, both to India's financial credibility abroad and the Government's much-awaited fiscal reform plans. The State Bank of India is reported to have defaulted on its international obligations—if true, it would be the first by a Government organisation—indicating that India is close to catching the Latin disease. Further defaults can't be ruled out, especially if there is even the faintest whiff of political uncertainty and the remaining international lenders pull the plug. This is the real problem India is facing.

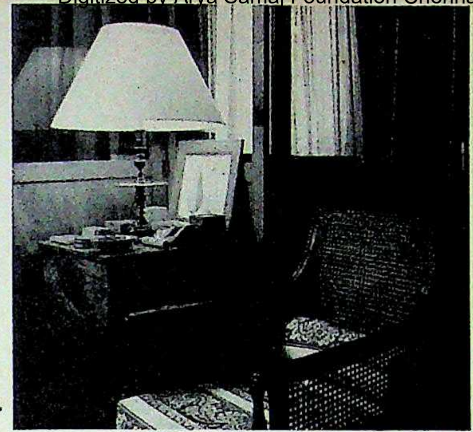
The promises doled out by various political parties during the recent elections have already made the task of sensible economic policy-making difficult. Remember the pink faces in the Congress(I) camp after Finance Minister Manmohan Singh dismissed the party's promise of bringing down prices in 100 days as so much rubbish? Singh has now backtracked under pressure from the party rank and file and Prime Minister P.V. Narasimha Rao has himself found it necessary to assure the faithful that the party manifesto will not be junked on the altar of economic realities.

THE opposition parties need not help Rao overcome his own discomfiture, but neither can they put narrow political interests above the country's. Whether they like it or not, 1991-92 will be a make-or-break year for the Indian economy, and they must help the Government administer bitter medicine. Economic policy must be brought into the consensus arena, perhaps by calling an all-party meeting on what needs to be done. The point is: even without the IMF's promptings, the Government would have had to make radical changes in its approach to the economy and budgets. For years now it has been living beyond its means. Currently, for every rupee that the Centre spends, it manages to earn only 70 paise of it. The rest of it has to be made up by borrowing more or simply printing more money. Not surprisingly, repayment of debt eats up the largest chunk of more than a fifth of expenditure. The productive part of the spending—plan outlays—get a measly 15 paise for every rupee. The obvious conclusion: the Government has bloated beyond recognition. It needs to shed flab. A side-effect of excessive government spending is the sucking in of more imports, which in turn has led to a serious foreign exchange crunch.

The problems will not go away as soon as the IMF money arrives. There can be nothing more dangerous than such complacent thoughts. All that the IMF loan will do is bail out the country in the immediate future by strengthening its foreign exchange reserves position. That will enable regular lenders to lend without fears of a default. But back home the mess created by politicians and bureaucrats will still have to be cleaned.

Whichever way one looks at the country's problems, the choices are hard ones. The right choices will also hurt in the medium term: cuts in government expenditures will affect some lobby; inviting foreign investment freely will hurt at least some segments of domestic industry; devaluation will clobber the import-dependent sectors. In normal times this would be grist to the political propaganda mill. This time though it would do a lot of good if the political games could be shifted to a venue other than the economic arena.

All we heard was a bang, a scream and the sound of splintering glass . Then the room was plunged in darkness.



There was chaos among my guests almost immediately.

The music was replaced by raised voices; the bright lights by lit matchsticks; and the breeze from my classic Usha fans by droplets of perspiration.

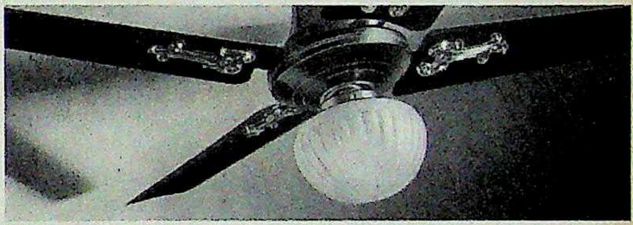
"What happened?" I asked the butler, "Young lady bumped into me sir. She screamed, and I dropped the tray of drinks on to the music system. I think the fuse has blown. I also think the young lady has fainted sir."

Armed with this knowledge I began directing rescue operations. The lights were relit; the music was replayed; and, most important, the Usha breeze restored.

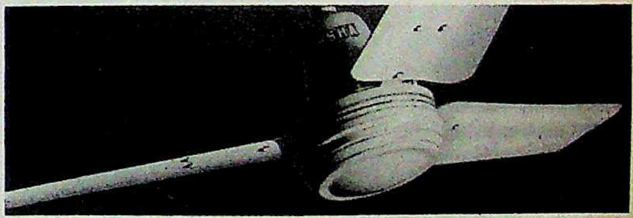
The young lady was deposited in the guest bedroom. I personally opened the windows, and watched the Usha fan's blades quiver to life and circulate air through the room.

Quietly. Smoothly. Efficiently.

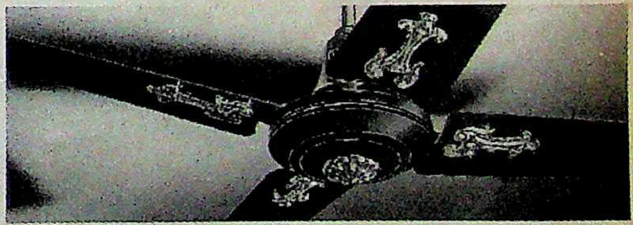
The young lady's eyes fluttered open, and then met mine. "I've been wanting to spend a minute alone with you all evening", she murmured, "I couldn't think of a better way."



The 'Luminaire'. A fan and light combined, in velvet brown with rich gold flanges.



The 'Stella'. Clean, classic lines in ivory white or brown.



The 'Kohinoor Super Deluxe'. Streamlined grace in gold and brown.

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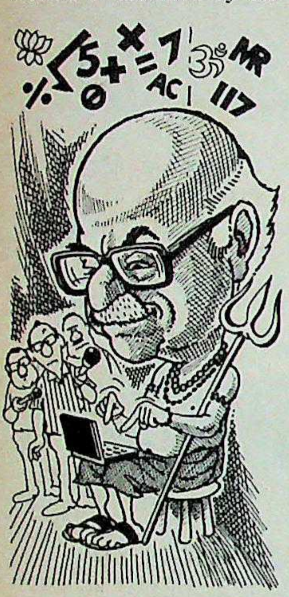
Hindu Hi-tech

● NO one can say that India's Old Guard politicians don't move with the times. Prime Minister P.V. Narasimha Rao's computer addiction is matched by another stalwart. None other than—hold your breath—Hindutva protagonist L.K. Advani. The BJP leader's distaste for all things western is as sharp as his burning passion for Hindu revivalism. But he is as addicted to his natty little pocket computer as he is to raths and *amritjal.*



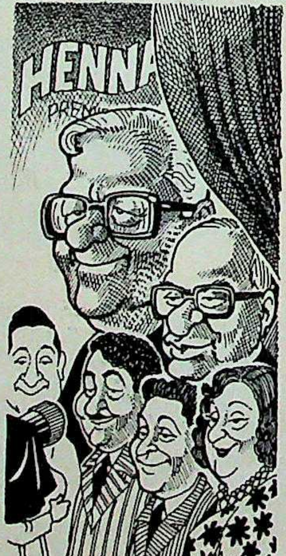
And he whips out the sleek black Casio from his starched kurta pocket at the drop of a *mantra.* Like any faithful friend, the machine provides information sorely needed by politicians in a tight corner. At a recent private meeting, the BJP leader was asked to explain why his party had miscalculated so badly in the elections. Advani smiled coyly, pulled out his little black box, peered over his steel rimmed glasses and played around with a few buttons. Then he proudly displayed the message flickering on the screen—minimum BJP seats: 117; probable: 175; maximum: 238. "This was my analysis on June 6," he said proudly. "I was not too wrong even then, was I?"

Where would the Hindutva bandwagon be without western technology?

Setting Precedents

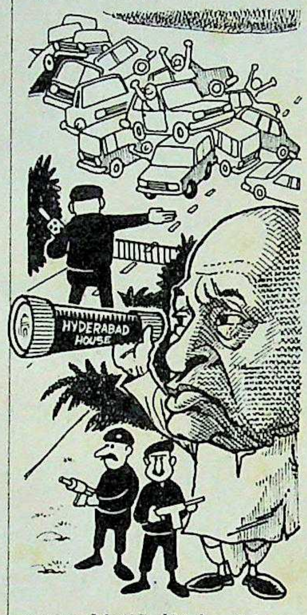
● PRESIDENTS of India are normally sticklers for protocol. And R. Venkataraman is no exception. But last fortnight at the charity premiere of Raj Kapoor's *Henna,* the spirit of India's great showman seems to have inspired him, sending his securitymen's pulse soaring. The President was supposed to leave during the interval. But he couldn't say no to Raj Kapoor's daughter Ritu Nanda's request to pose for a group photograph with the Kapoors. Rather than head for the exit, not only did the President say cheese but he took along Pakistan High Commissioner Abdus Sattar for the picture. After all, *Henna* is a story about love across the border. And the film was partly shot in Pakistan, a first for an Indian film.

Cartoons by AJIT NINAN



Security Blues

● PRIME ministers are the bane of New Delhi commuters. With the low-key Narasimha Rao as prime minister, they hoped things would better. But they have only got worse. Moti Lal Nehru Marg, a popular thoroughfare which houses Rao's residence, has been closed.

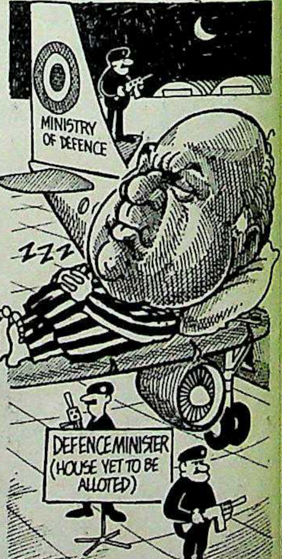


The prime minister is to shift to his official residence at 7 Race Course Road. But security officials say he has not found an auspicious day to move. That may be an excuse. Rumours are that Rao would like his favourite hideaway Hyderabad House made the prime minister's residence. Meantime, Moti Lal Nehru Marg remains closed for security. But the panic has little justification. The threat to Rajiv was much higher. Security required for the present prime minister is the minimum recommended in the blue book on VVIP security. But having repeatedly come a cropper, overkill is the new buzzword for security officials.

Housing Hassles

● WHEN Maharashtra strongman Sharad Pawar occupied the coveted office of defence minister, it was seen as a major political victory. Everyone assumed that from now on it was smooth sailing for the Maratha chieftain.

But little did Pawar realise he would have to contend with another formidable opponent: New Delhi's bureaucracy. The result: a week after he took over one of the most powerful offices in the country—not to mention a Rs 15,000-crore defence budget—he is without an official residence. Till late-June Pawar was ensconced in 'Varsha'—the Maharashtra chief minister's official bungalow in Bombay's posh Malabar Hill. Come transition to national politics and he is holed up in Room Number 2 of Maharashtra Sadan on modest Copernicus Marg. Given that luminaries of the two previous governments continue to cling to official accommodation, Pawar will be in Maharashtra Sadan for some time yet. If nothing else, that should keep him in touch with his provincial power base.


MINISTRY OF DEFENCE
ZZZ
DEFENCE MINISTER (HOUSE YET TO BE ALLOTED)

TAIL PIECE

Finance Minister Manmohan Singh has jumped the gun—by 95 days. His saying that the Government can't bring down prices within 100 days—a manifesto pledge—was made five days after he took over. The joke in Congress circles is that, were he a politician, he would have said so after 95 days and not five.

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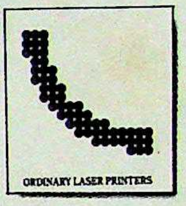

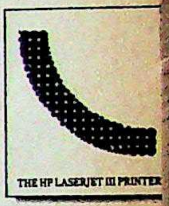

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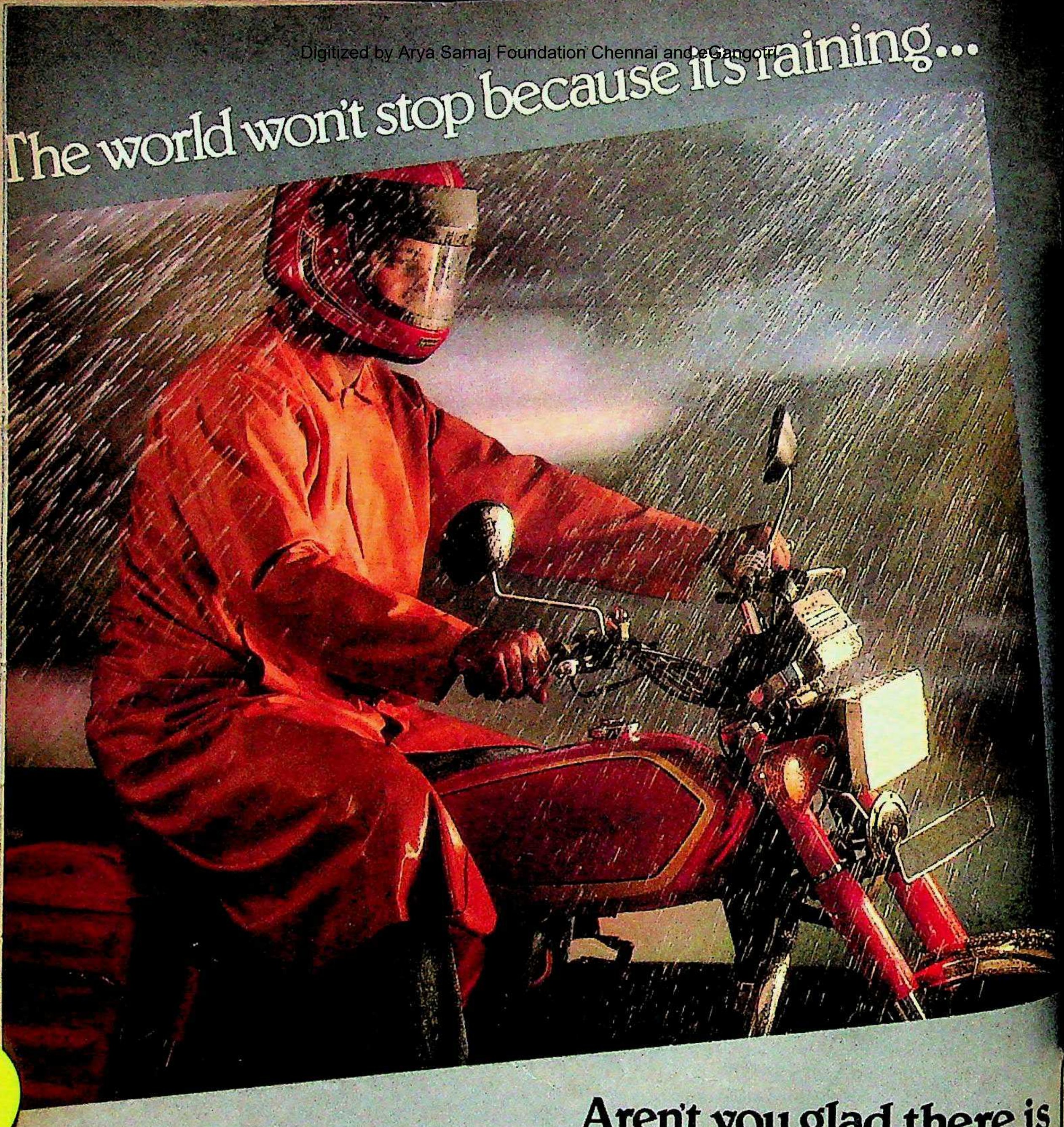
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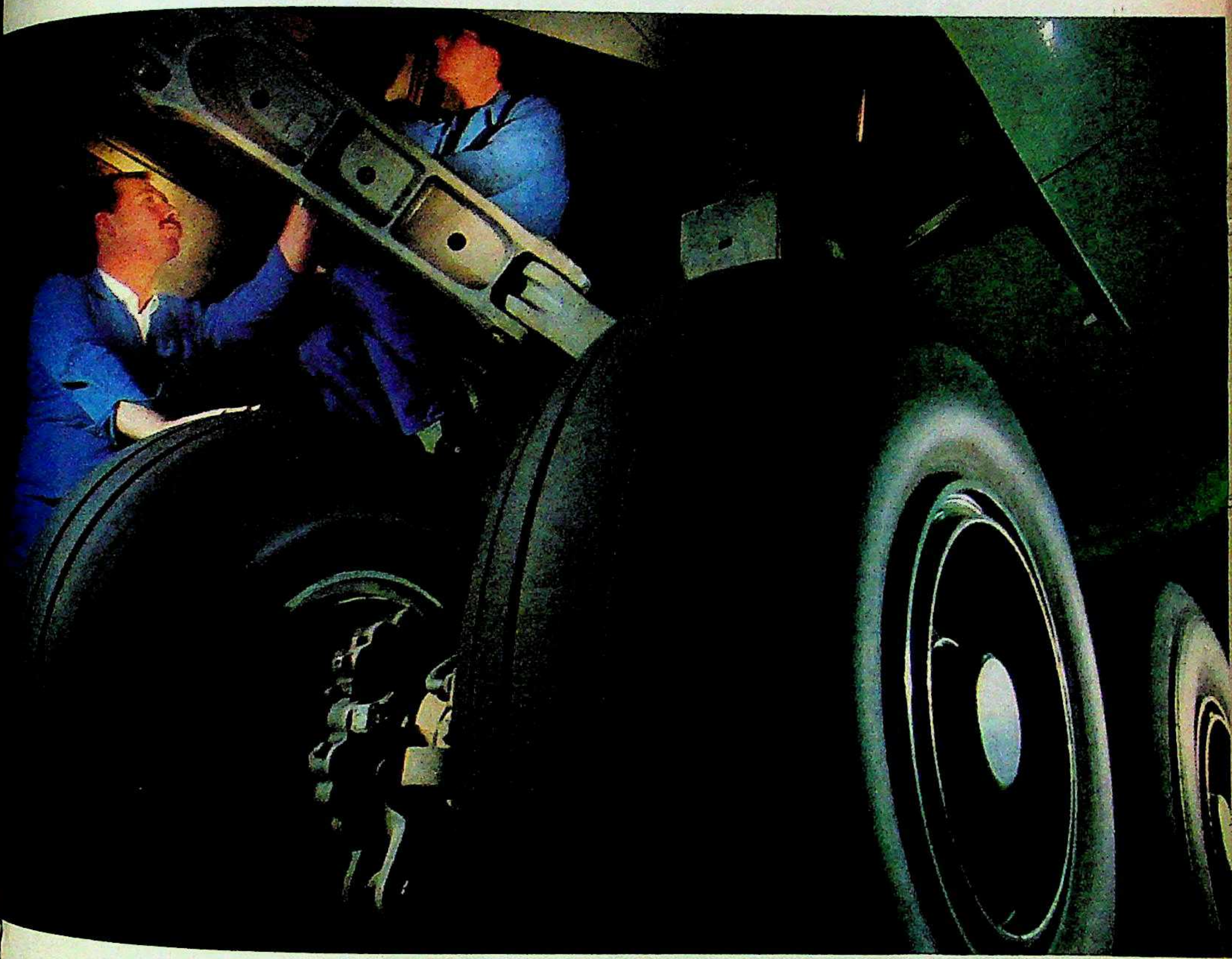

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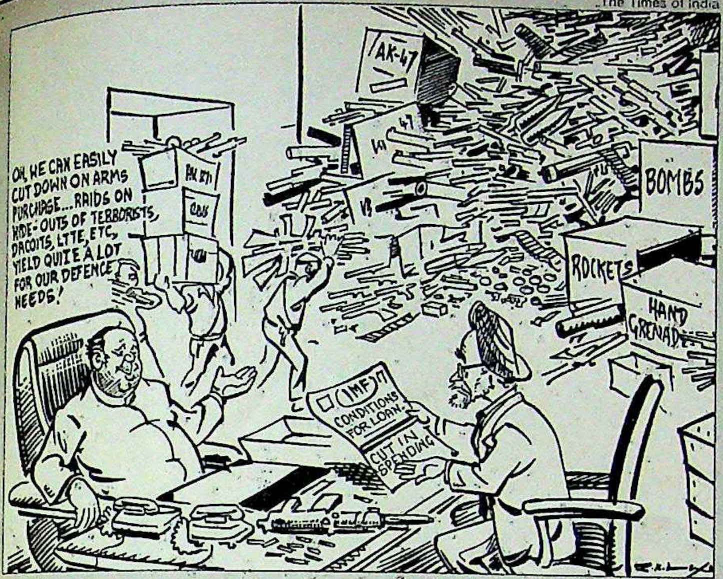
Freedom from the Indian Summer

The Times of India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CUT IN SPENDING

- *The prime ministership is something which has come for reasons which no one could have imagined, out of an event which no one could have anticipated.*
  ■ P.V. NARASIMHA RAO in *Eyewitness*

- *In fact, Narasimha Rao's total contribution to the country's politics is more than my age.*
  ■ SHARAD PAWAR in *The Independent*

- *Both the external and internal security of the rashtra are in the hands of Maharashtra.*
  ■ S.B. CHAVAN in *The Telegraph*

- *You cannot reduce this ministry to a circus of bears and monkeys.*
  ■ KAMAL NATH, minister of state for environment, in *The Sunday Times of India*

- *I am thankful to such a family (Devi Lal and sons) which committed excesses and people of the state voted the Congress party to power.*
  ■ BHAJAN LAL in *The Hindustan Times Sunday Magazine*

- *What would be a greater public purpose than to resolve the tangle and construct the temple?*
  ■ A.B. VAJPAYEE in the *Indian Express*

- *I am not a glamour boy but a* tapasvi *(ascetic).*
  ■ N.T. RAMA RAO in the *Indian Express Magazine*

- *Now I hope I will be able to devote some time to my family.*
  ■ P. UPENDRA, on his removal as leader of the Telugu Desam Parliamentary Party, in *Newstime*

- *The thought of relinquishing my post has not passed through my mind.*
  ■ T.N. SESHAN in the *Free Press Journal*

- *My contribution to music is incomparable.*
  ■ PANDIT RAVI SHANKAR in *The Illustrated Weekly of India*

- *I'd never realised how frustrated Indian men are. They write in asking me to please wear low-cut blouses, or drop my saree pallu.*
  ■ RENUKA SHAHANE in *TV & Video World*

- *I don't think an average Indian woman would identify with me. I don't have anything in common with Sridevi or Jayaprada.*
  ■ ZEBA BAKHTIAR, heroine of Raj Kapoor's *Henna*, in *The Sunday Times of India*

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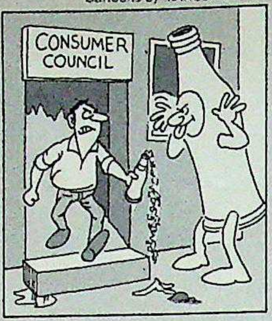
NEPAL

Cartoons by MANOJIT DATTA

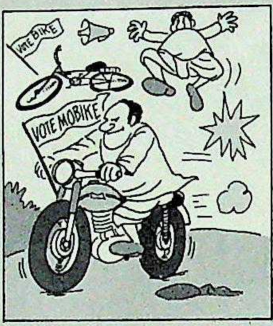
FIZZLING OUT

■ A drink is preferable to the dole? For two brothers in Delhi who wanted to swap consumer interest for self-interest, it was a difficult choice. One of them bought a crate of a popular soft drink, only to discover fungus in the fizz. A complaint to the manufacturer brought some representatives rushing in to collect the offending bottles, but our crusader had grander ideas. He was going to make it public. The fizz having fallen flat, the manufacturer's men promised a crate a day for a year to keep the heat away. No go. A lump-sum of crates a day for a year? No reaction. Finally, the miffed manufacturer offered a job to the angry consumer's younger brother. The boy was interviewed but rejected. The embattled brothers went from newspapers to consumer councils to the radio. But the bubble had burst. Worse, the manufacturer didn't even offer them a replacement to drown their sorrows.



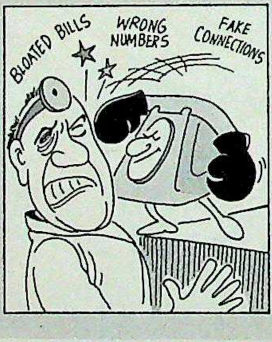
RIDING SLOW

■ Those of you who've always had a secret hankering for upwardly mobile mobikes now have another justification for buying one. Apparently it is a fairly useful vote-netter—and with elections such a frequent fixture, who would quibble with that? What stood between the TDP and independent candidates on the way to victory in Anakapally constituency in Andhra Pradesh was just a mobike. Or rather its symbol. The TDP candidate had a cycle as his symbol whereas the independent had a motorcycle. The TDP wound up losing by 16,000 votes, while the independent roared off into the sunset with 18,000 ballots riding pillion. Considering that last time the TDP had lost the constituency by nine votes, the luckless candidate should have been consoled. But not when your second term in Parliament is outmanoeuvred by a burst of horsepower from unlikely wheeler-dealers.



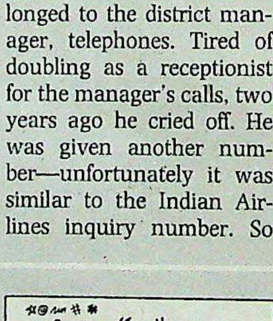
TELEPHONE TRIAL

■ In this age of satellite communication, telephones have become obsolete. At least that's the message of Amritsar's Telephone Department. Unable to cure his sick instrument for over a decade, a top TB specialist gave up his telephone to the department. The woes began when the doctor was given a phone number that had earlier belonged to the district manager, telephones. Tired of doubling as a receptionist for the manager's calls, two years ago he cried off. He was given another number—unfortunately it was similar to the Indian Airlines inquiry number. So began another sad saga. For a temporary respite from his increasing unpaid workload, in May, the doctor asked for a disconnection for a year. Only to be billed for June and July. The plagued physician is still, however, convinced of the utility of telephones—everywhere except in Amritsar, that is.



MUTTON GLUTTON

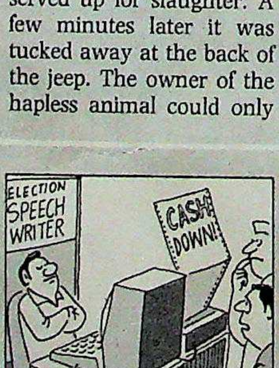
■ Id-ul-Zuha in Lucknow saw a billy goat thief run riot. In no mood probably to foot the bill for the annual feast himself, the billy goat baiter struck in the early hours of the big day. Using a battle-scarred jeep for his derring-do, the thief first visited the staid, old world Nazarbagh area. He came to a swift and silent halt at a crossing where a fattened goat was resting for a blissful few hours, before being served up for slaughter. A few minutes later it was tucked away at the back of the jeep. The owner of the hapless animal could only bleat out in alarm as he saw his main course slipsliding away. Apparently that was not the end of the mutton glutton's nefarious activities. He galloped off with six goats from the slightly more upmarket Aliganj area too. Quite a dinner it must have been for him. And all in a night's work.



DOUGH DELAY

■ Here's one guy who hasn't learnt his lesson well enough. In 1989, a freelance Hindi copywriter wrote slogans and speeches for 30 Lok Sabha candidates, but didn't get paid.

Two years on, he was smarter. But not enough. He worked out packages, cutting across party lines, for 140 candidates, of whom 34 were elected. Two speeches for the candidate, three for his party workers ("because they're all dropouts"), a set of 10 slogans and a "free gift" of a simplified party manifesto. All on his trusty computer. But he's still waiting for more than half of his money to come in. So has he given up on trusting politicians? Well, not quite. Next time—and he's pretty sure it'll be soon enough—he's going to lock up all his floppies and wait till he gets a full advance. Only then will the poetry flow.



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THE ECONOMY

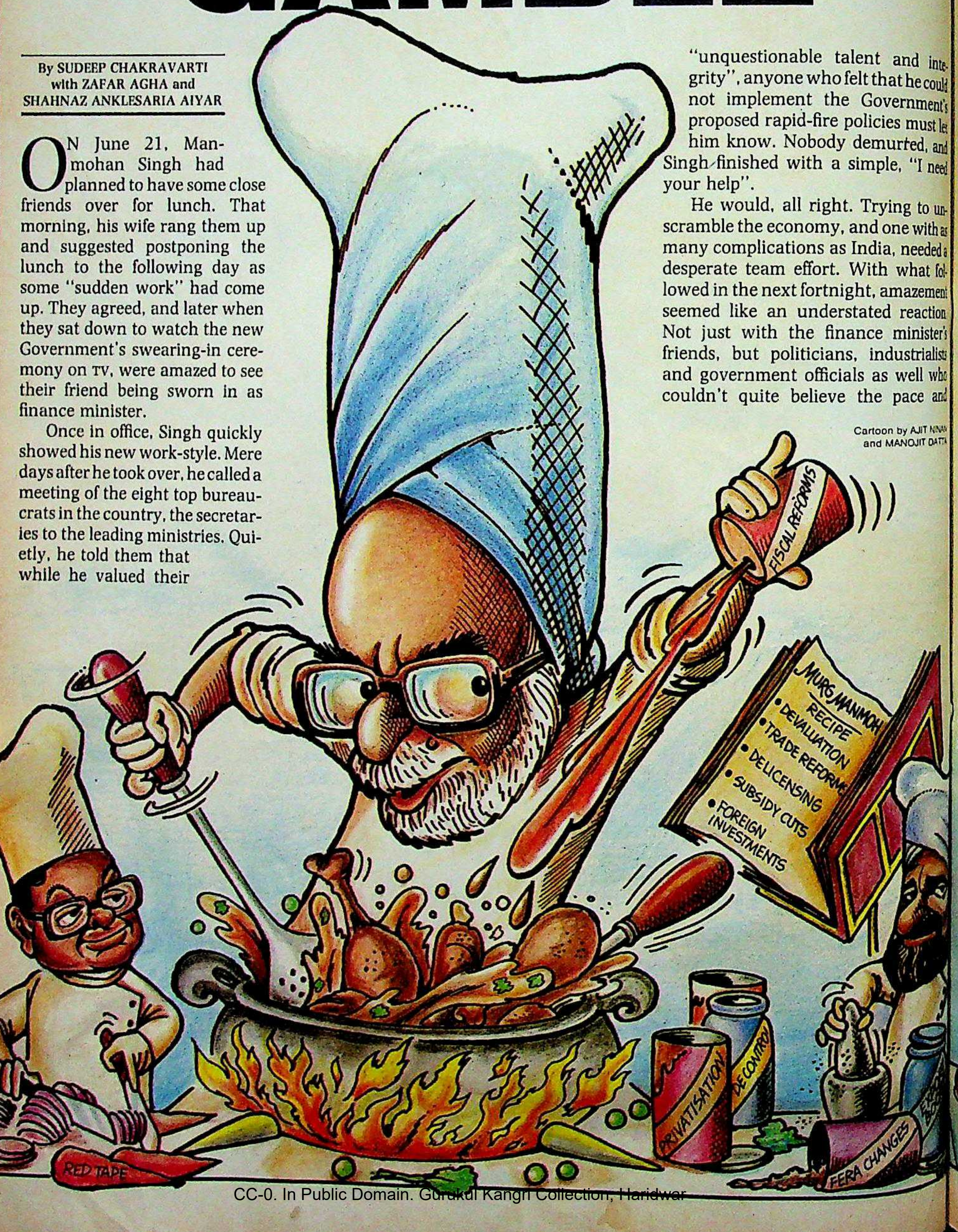
BOLD GAMBLE

By SUDEEP CHAKRAVARTI
with ZAFAR AGHA and
SHAHNAZ ANKLESARIA AIYAR

ON June 21, Manmohan Singh had planned to have some close friends over for lunch. That morning, his wife rang them up and suggested postponing the lunch to the following day as some "sudden work" had come up. They agreed, and later when they sat down to watch the new Government's swearing-in ceremony on TV, were amazed to see their friend being sworn in as finance minister.

Once in office, Singh quickly showed his new work-style. Mere days after he took over, he called a meeting of the eight top bureaucrats in the country, the secretaries to the leading ministries. Quietly, he told them that while he valued their "unquestionable talent and integrity", anyone who felt that he could not implement the Government's proposed rapid-fire policies must let him know. Nobody demurred, and Singh finished with a simple, "I need your help".

He would, all right. Trying to unscramble the economy, and one with as many complications as India, needed a desperate team effort. With what followed in the next fortnight, amazement seemed like an understated reaction. Not just with the finance minister's friends, but politicians, industrialists and government officials as well who couldn't quite believe the pace and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RED TAPE
FERA CHANGES

Cartoon by AJIT NINAN and MANOJIT DATTA

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on by AJIT NINAN
MANOJIT DATTA

possible scope of change: from all accounts, the devaluation of the rupee and trade reforms were only the beginning of imminent policy changes.

After years of lethargy, the Government appears to be waking up to economic imperatives, initiating changes that are the most radical India has ever seen. Also, for once, there is a move to build a consensus about change, with the Opposition being used as sounding boards and the media as conduits to tell the population that the situation is terrible, and changes are necessary.

Many people suggested that the IMF—pressing for deflation and deregulation in return for emergency loans—and not Singh was the real agent of change. And hopes for a stable economic future were tempered by fears of hard times ahead. But nobody was willing to detract from the importance of what the man was trying to do: making a move to clean up India's economic mess.

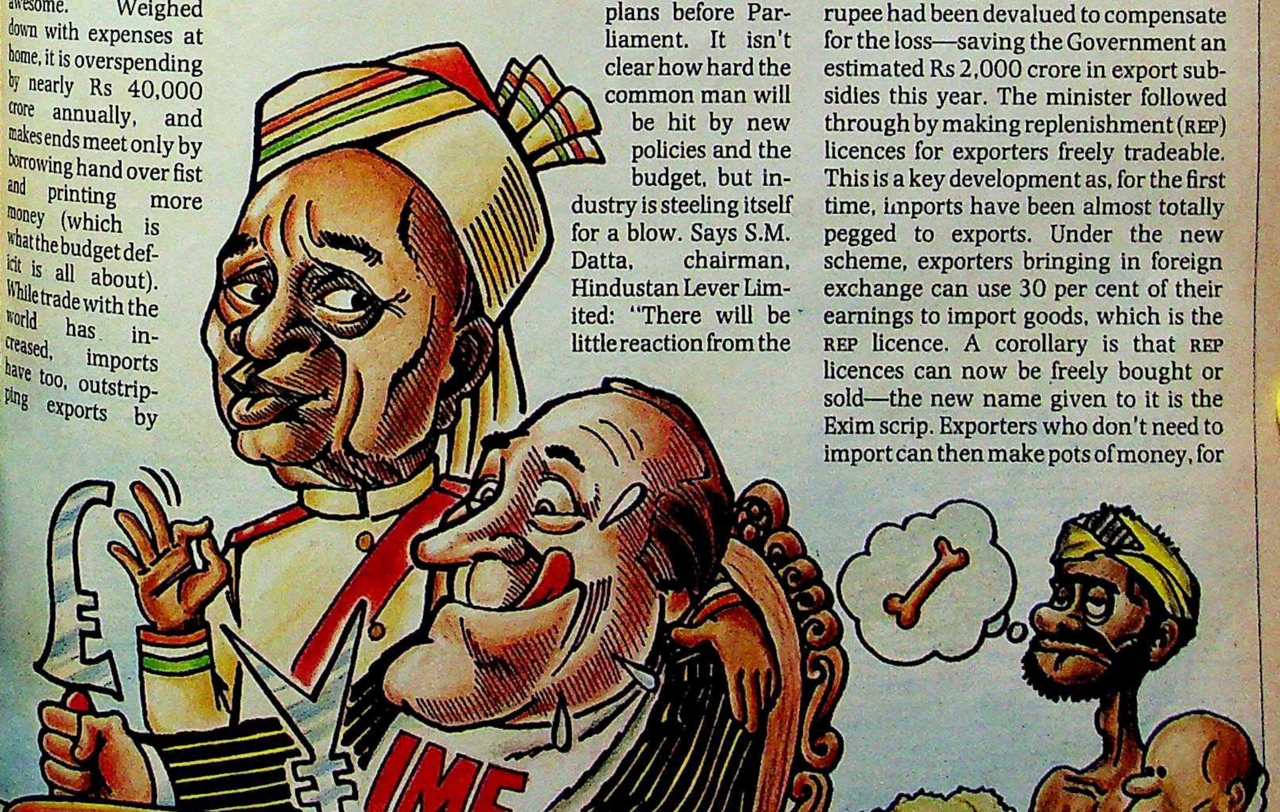
The mess is prodigious. The Government is over-extended with borrowings. The World Bank estimates that India owes the world $70 billion (Rs 1,82,000 crore at post-devaluation rates of exchange). The Government's own figures are lower *(see chart, page 27)* but no less awesome. Weighed down with expenses at home, it is overspending by nearly Rs 40,000 crore annually, and makes ends meet only by borrowing hand over fist and printing more money (which is what the budget deficit is all about). While trade with the world has increased, imports have too, outstripping exports by more than Rs 10,000 crore. Behind these frightening numbers lie the intangibles: a power-hungry bureaucracy that is loathe to trim itself; a public sector that uses up more money than it produces; monopolists fed on the principle of fiefdoms and purchasing licences; and a rural economy that thrives, in part, because the Government subsidises its prosperity. The finance minister wants to end much of this.

"I have the prime minister's mandate to think big," Singh told his bureaucrats. "The world must know that India has changed." By Singh's book, India has to change rapidly. And the only way for the country to do that is to administer policy reforms in sharp, shocking doses within a month. The finance minister insists the money India may get from the IMF won't be used either to finance domestic consumption or to repay the country's short-term $4 billion commercial loans. Government sources say the IMF loan is intended, rather, as a confidence-building buffer "to calm the markets" and persuade international bankers to allow a longer period for the repayment of the short-term debt. The budget for 1990-91 should be a bit of a bomb, as Singh wants to outline all his plans before Parliament. It isn't clear how hard the common man will be hit by new policies and the budget, but industry is steeling itself for a blow. Says S.M. Datta, chairman, Hindustan Lever Limited: "There will be little reaction from the industry if there's a tough budget." If so, the Government can open the valves to the limit.

SUPERCHARGED SPEED

DEVALUATION was the first shocker. To be sure, people expected the rupee to be devalued. Only, nobody expected it to happen so suddenly, and in two sharp bursts on July 1 and 3, by as much as 20 per cent against the dollar, the pound sterling, the Deutsch mark and the Japanese yen. The immediate reasons were to prevent the flight of non-resident Indian (NRI) money—estimated at Rs 100 crore a week from mid-June. But the broader policy goal of devaluation—in conjunction with margin requirements for imports which are still at 200 per cent of the value of goods and import tariffs that are over 100 per cent—is to reduce imports and increase exports by making Indian goods cheaper abroad.

There was a second, expected policy move. Within a couple of days of the devaluation, Union Minister of State for Commerce P. Chidambaram announced the suspension of cash compensatory support to exporters—as the rupee had been devalued to compensate for the loss—saving the Government an estimated Rs 2,000 crore in export subsidies this year. The minister followed through by making replenishment (REP) licences for exporters freely tradeable. This is a key development as, for the first time, imports have been almost totally pegged to exports. Under the new scheme, exporters bringing in foreign exchange can use 30 per cent of their earnings to import goods, which is the REP licence. A corollary is that REP licences can now be freely bought or sold—the new name given to it is the Exim scrip. Exporters who don't need to import can then make pots of money, for



REP licences can be flogged in the market for a hefty premium.

An implication: the REP premium will in reality decide the real rate of the dollar for importers. At the current 30 per cent premium, the importer will effectively be paying around Rs 34-35 for every dollar he needs. According to Commerce Ministry officials, Chidambaram is determined to introduce his entire package of trade reforms by the end of July.

Over at the Industry Ministry, people are talking about a whole new ballgame. "We will come out with a new strategy on the small-scale sector," said Minister of State for Industry P.J. Kurien in early July, "and we are also looking for ways to encourage foreign investment and equity participation (in Indian ventures). We are reviewing the industrial policy completely."

Shortly thereafter, Minister of State for Law, Justice and Company Affairs Rangarajan Kumaramangalam was talking about either scrapping the Monopolies and Restrictive Trade Practices (MRTP) Act or raising the asset limit for MRTP companies 10-fold to Rs 1,000 crore. He said henceforth the Government may define a company as a monopoly only if its market share is 40 per cent or more, as against 25 per cent now. And he made the first announcement on companies being permitted easy exits saying that any company which doesn't have public debt—an unrealistic requirement as companies almost always do—will be allowed to wind up. This, if the logic is extended, means that the Government won't pay out good money to prop up a sick enterprise just for the sake of providing employment. And thus the era of retrenchment may have arrived in India.

MANMOHAN SINGH

"Vested interests are a force to reckon with"

EVEN his closest friends are shocked. For them, quiet, self-effacing Manmohan Singh was the least likely candidate for a most demanding role: the country's no-nonsense, hard-driving finance minister. But the old school bureaucrat has surprised them all. Singh, 59, has been pushing for hard bargains. He talks about encouraging competition in industry, competing abroad, increasing public sector efficiency and inviting multinational companies to invest in India's future. He talks about a mandate he has received to promote his policies, the first of which was a 20-per cent devaluation of the rupee last fortnight. He talks about the budget as if it will change the way India thinks economically, and is moving ahead irrespective of the so-called socialists and power-brokers who have stonewalled progress all these years. "To do otherwise," says Singh, "would be incompetent, insincere and (like a) laggard."

It isn't clear whether Singh—a former winner of the Adam Smith prize for economics at Cambridge University, RBI governor, Planning Commission chief and more recently, economic adviser to the Chandra Shekhar government—will pull it off. But he has the best shot at the job because, as a senior bureaucrat puts it, he doesn't have "politics dripping from his fingers". His colleagues do, however, and they will be watching vote banks as closely as Singh is eyeing deficits. This may lead to contradictions in economic policy, but Singh says he is not giving up on setting things right.

He spoke on these and other issues with Principal Correspondent SHAHNAZ ANKLESARIA AIYAR. *Excerpts from the exclusive interview:*

Q. What are the fundamental changes you want in the Indian economy?

A. We want to be integrated with the world economy. We do not want to go the Burma way, we do not want to be isolated. We want structural adjustment with the international economy. The issue is the terms of the integration.

Q. How do you view foreign investments?

A. We are now in a different ball game. We are not just considering foreign investment, but are trying to seek and welcome it on attractive terms. If we want first-class technology, it is with multinationals. So, we will learn to do business with multinationals. We want more competition, not only between domestic firms but also with foreign ones. I have a vision of India as a country which is capable of standing on its own feet. Five years from now, we should not ever have to go to the IMF for a loan.

Q. What about FERA?

A. If FERA is an obstacle to foreign investment and non-resident investment, we will review it.

Q. Do your colleagues agree with you?

A. We are dealing with a crisis situation. I have told opposition leaders that India needs to think afresh on many fronts—the old methods of thinking have not taken us anywhere. Instead, we have been marginalised. In 1960, South Korea and India had roughly the same per capita income. Today Korea is talking of joining the OECD (Organisation of Economic Cooperation and Development, a rich nations' club). We have powerful forces abroad which want to help India. But they want to be convinced that India wants to help herself.

Q. How will you do this? Will you begin with the budget?

A. The budget is very crucial. The world wants to know which way India will turn. I have a vision of the medium-term direction of our country—my hope is to outline the vision and the strategy—to link the short and medium with the long-term. I have a short-term problem, but with the realisation of our medium-term goals, India can enter the 21st century. The Indian economy should be on a healthy growth path. The budget is very important for our credit-worthiness which has gone down.

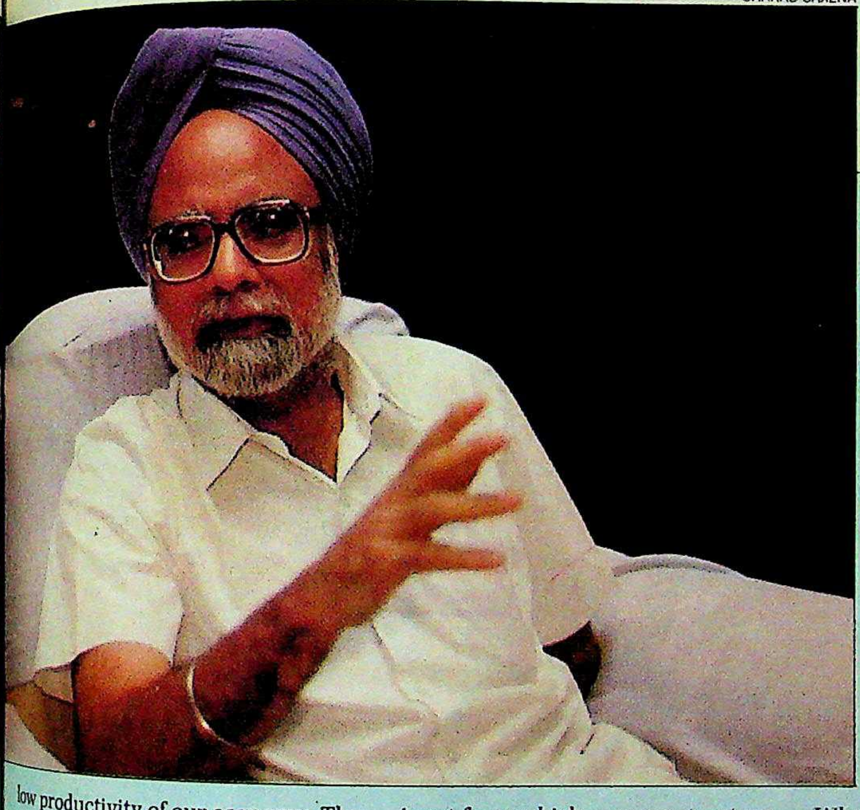
Q. What are your immediate priorities?

A. We have before us a historic task. The economy is in a severe BOP crisis, which is rooted in several failures on the domestic front—uncontrolled government expenditure, the

There have been more moves towards reform in a week than in the past four decades. Says Darbari Seth, chairman of Tata Chemicals, Tata Fertiliser and Tata Tea, among other companies: "Wittingly or unwittingly, a great deal has come about."

True, but there is also a price to pay, immediately and later, if policies are not meshed properly. Imports have become even more expensive, and sectors which depend heavily on imports—drugs and pharmaceuticals, consumer electronics, computers, chemicals, commercial vehicles—will be forced to increase prices and take the cost to the consumer. There is talk of reducing import tariffs to off set the devaluation, but that would still leave the cost of imports prohibitively high. With a more expensive dollar, the price of petroleum and diesel—40 per cent of India's crude petroleum needs are still imported—can increase by anything up to 25 per cent. Coal prices are expected to be hiked, as are railway freight rates and electricity charges to industry, which will add to costs and add to inflation.

That is worrying a lot of people, especially politicians, both those in power and out of it. And the fact that the finance minister has said he can't just wave a


SHARAD SAXENA

low productivity of our economy. The challenge is to deal with the BOP crisis in a manner which will stabilise the economic situation, bring the budget deficit under control, reverse inflationary expectations and yet not hurt growth. Above all, we must not adopt an adjustment path which imposes undue burdens on the poor. What we need is growth-oriented adjustment, adjustment with a human face. We must not perpetuate stagnation.

Q: *Are you confident of the IMF loan?*

A. I am not 100 per cent sure...

Q. *As part of a minority government which seeks to protect diverse lobbies, how will you push for hard measures and still survive?*

A. I believe I have the mandate to do all that is necessary. The fact is that we are now in trouble. The old path of increasing subsidies and reckless spending is not good politics. And good politics is rooted in good economics. Apart from which, you must not underestimate the force of ideas.

Vested interests are a force to reckon with, but we are not dealing with a partisan issue. The issue is not to risk defaulting (on our external debt). It is an issue of India's honour.

I told my friends in the CPI(M), if you have a more effective strategy then tell me. We have been justifying controls which have not helped growth but just perpetuated functionless capitalism. People have become rich by manipulating the licensing system and not by performing. There is little efficiency.

India needs to create a market economy with strategic controls. We'll retain some controls—we are not pushing for *laissez faire*. But the Government's principal task is to govern, not governance. I feel it should shed things it doesn't do well.

Q. *Will you, rather, can you, cut government spending?*

A. If the economy is growing, the government will be shrinking.

Q. *Will you take steps to privatise industry?*

A. I don't rule it out. But I am also fully in support of a public sector which makes profit. My first preference is to see if it can deliver the goods. In Italy and France, the public sector is a model of efficiency. But overall we must enlarge areas of competition, both domestic and foreign. India must be made internationally competitive.

Q. *Does competition mean having an exit policy for sick industries?*

A. I don't believe we will create large-scale unemployment with our policies—then you will get social unrest. What is most important is to get social safety nets in place. I think the old policy of increasing subsidies to sick units and reckless spending is not good. But the problem is: industry may be sick, but not industrialists. I don't think the working class should be forced to bear the brunt of modernisation and adjustment. We need to prepare for retraining of workers who may lose their jobs.

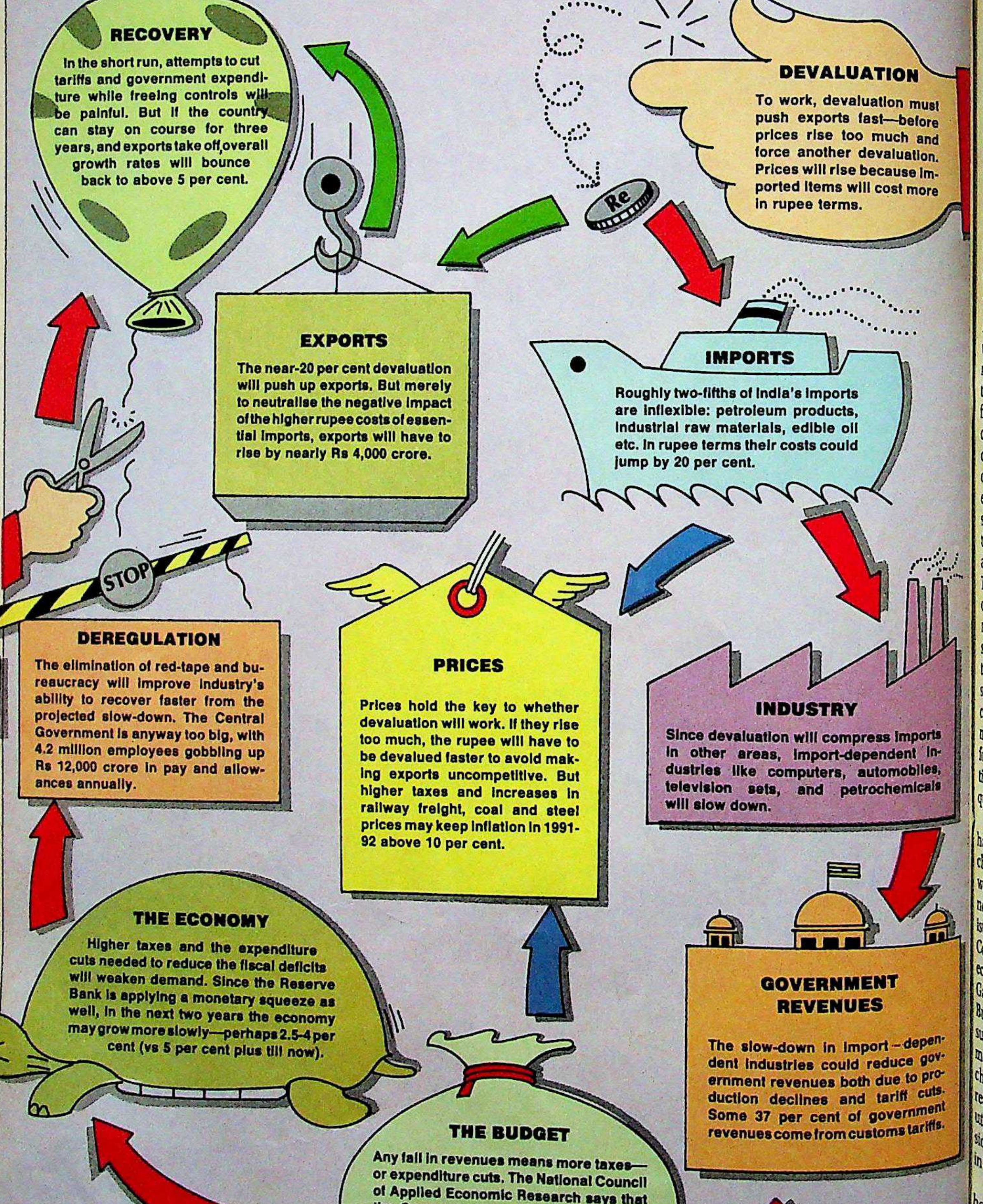
Q. *Will your government last long enough to see reforms through?*

A. If I present my budget and outline the strategies and programmes which will command the support of the people, there will be an environment for the Government to survive a full five years. If we can stay with the policy for three years, the Congress(I) could be the permanent party of governance. You know, I do believe in God. I hope I have the moral courage to do what is needed for the country at this hour. I will not flinch.

Chart by B.K. SHA

LETTING IT FLOW

The economy can recover only if the government follows up the devaluation with rapid-fire liberalisation and inflation control



RECOVERY

In the short run, attempts to cut tariffs and government expenditure while freeing controls will be painful. But if the country can stay on course for three years, and exports take off, overall growth rates will bounce back to above 5 per cent.

DEVALUATION

To work, devaluation must push exports fast—before prices rise too much and force another devaluation. Prices will rise because imported items will cost more in rupee terms.

EXPORTS

The near-20 per cent devaluation will push up exports. But merely to neutralise the negative impact of the higher rupee costs of essential imports, exports will have to rise by nearly Rs 4,000 crore.

IMPORTS

Roughly two-fifths of India's imports are inflexible: petroleum products, industrial raw materials, edible oil etc. In rupee terms their costs could jump by 20 per cent.

DEREGULATION

The elimination of red-tape and bureaucracy will improve industry's ability to recover faster from the projected slow-down. The Central Government is anyway too big, with 4.2 million employees gobbling up Rs 12,000 crore in pay and allowances annually.

PRICES

Prices hold the key to whether devaluation will work. If they rise too much, the rupee will have to be devalued faster to avoid making exports uncompetitive. But higher taxes and increases in railway freight, coal and steel prices may keep inflation in 1991-92 above 10 per cent.

INDUSTRY

Since devaluation will compress imports in other areas, import-dependent industries like computers, automobiles, television sets, and petrochemicals will slow down.

THE ECONOMY

Higher taxes and the expenditure cuts needed to reduce the fiscal deficits will weaken demand. Since the Reserve Bank is applying a monetary squeeze as well, in the next two years the economy may grow more slowly—perhaps 2.5-4 per cent (vs 5 per cent plus till now).

GOVERNMENT REVENUES

The slow-down in import-dependent industries could reduce government revenues both due to production declines and tariff cuts. Some 37 per cent of government revenues come from customs tariffs.

THE BUDGET

Any fall in revenues means more taxes—or expenditure cuts. The National Council of Applied Economic Research says that the Government has to impose over Rs 2,200 crore of new taxes to keep the fiscal deficit to 6.5 per cent of GDP.

rt by B.K. SHARMA
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magic wand to make inflation disappear is not helping soothe fears much. On the other hand, the corporate sector is resigned to its fate of high costs and taxes and if that is what it takes in exchange for a deregulated, free economy, they are willing to put up with the trade-off. "The Government should push the bitter pill through," says Vinod Doshi, managing director of Premier Automobiles Limited. "If people don't like it, well, that's too bad." If only everyone would concur.

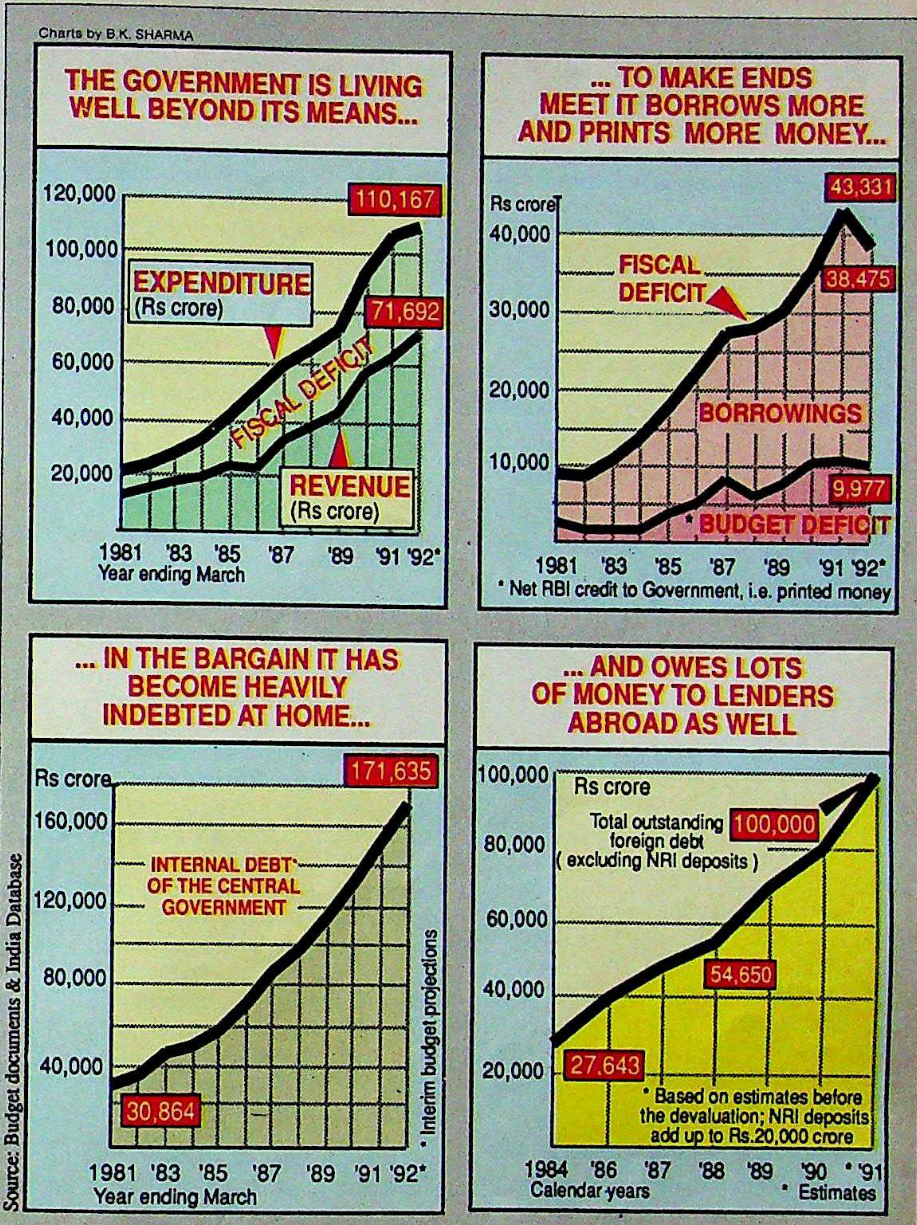
SEEKING OUT A CONSENSUS

PRIME Minister Rao belongs to the old Congress school which believes in the pre-eminence of the public sector, and the need to keep market forces firmly under state control. But compulsions seem to have changed the man. Mainly, because he is now dealing with an economy gone bust and he has seen the failure of the system the likes of him have perpetuated for the past four decades. The prime minister now speaks of making the public sector more efficient and, if necessary, shedding parts of it to reduce the Government burden—resource management is in, holy cows are out. "Drastic maladies," Rao said on TV last fortnight, addressing the nation on economic issues, "require drastic medicine."

But the crucial question is: has the Congress also changed? Is the ruling party willing to back the new economic measures initiated by Rao's ministers to deal with the crisis? After all, the Congress had applied the brakes to the economic changes initiated by Rajiv Gandhi during his early years in power. Buckling under the old guards' pressure, Gandhi stopped liberalisation moves altogether. "Times have changed and we will have to accept new realities," says Pranab Mukherjee, deputy chairman of the Planning Commission, and one of Rajiv's most bitter critics in the mid-1980s.

Rao may have a consensus going here, even if only on the surface. This is good, as the danger of the Government being upset by its own constituents is at least as plausible as getting the stick from the opposition parties—which appear to be letting the Congress do the dirty work of cleaning up and taking flak for it. But later, if things work out, it may hope to share the glory. Thanks to consensus. Agriculture Minister Balram Jakhar is another of the old guard who has publicly defended the new measures, and even talks about farmers—his major support base—having to "bear and share the burden". Jakhar's support to the new economic package is critical because the Government will have to slash fertiliser subsidies—a move he is ready to back, though he would like the cut to be compensated through "remunerative prices to farmers". In other words, higher procurement prices. This is a likely development. Even Human Resource Development Minister Arjun Singh—who is said to be unhappy with his portfolio—is backing the changes. Says he: "All these economic changes had already been contemplated and were part of our election manifesto."

The prime minister is at a slight advantage here. He has no mass base, and is a leader with no major backing even within his own party. He is surviving because of a power sharing arrangement in which senior Congress leaders maintain an uneasy status quo. Any move to upset Rao will trigger a chain reaction affecting the entire "consensus approach" which has emerged in the


Charts by B.K. SHARMA

THE GOVERNMENT IS LIVING WELL BEYOND ITS MEANS...

... TO MAKE ENDS MEET IT BORROWS MORE AND PRINTS MORE MONEY...

* Net RBI credit to Government, i.e. printed money

... IN THE BARGAIN IT HAS BECOME HEAVILY INDEBTED AT HOME...

* Interim budget projections

... AND OWES LOTS OF MONEY TO LENDERS ABROAD AS WELL

* Based on estimates before the devaluation; NRI deposits add up to Rs.20,000 crore

Source: Budget documents & India Database

120,000
100,000
80,000
60,000
40,000
20,000
110,167
EXPENDITURE
(Rs crore)
71,692
FISCAL DEFICIT
REVENUE
(Rs crore)
1981
'83
'85
'87
'89
'91
'92*
Year ending March
Rs crore
40,000
30,000
20,000
10,000
43,331
FISCAL DEFICIT
38,475
BORROWINGS
9,977
* BUDGET DEFICIT
1981
'83
'85
'87
'89
'91
'92*
Rs crore
160,000
120,000
80,000
40,000
171,635
INTERNAL DEBT* OF THE CENTRAL GOVERNMENT
30,864
1981
'83
'85
'87
'89
'91
'92*
Year ending March
100,000
80,000
60,000
40,000
20,000
Rs crore
Total outstanding foreign debt
(excluding NRI deposits)
100,000
54,650
27,643
1984
'86
'87
'88
'89
'90
* '91
Calendar years
* Estimates

These grim statistics underscore the need for the Government to cut its expenditure—through actual cuts and by increasing efficiency.

post-Rajiv Gandhi Congress, leading to power-grabbing and the weakening of the party. On the other hand, Rao is genuinely trying to take party bigwigs along with him in his efforts to introduce major changes in the economy. In the first cabinet meeting, the prime minister had sought the Cabinet's support for his "bitter medicine", says an insider. Rao had also done some plain talking about the economic situation at the Congress Working Committee meeting held after he took charge of the Government.

KEY SIGNALS

NEGATIVE

INFLATION: Prices have risen in 1990-91, the annual rate of inflation touching 10.1 per cent. Devaluation and increases in the prices of steel, coal, and railway freight means continuing inflation.

FOREIGN TRADE: Exports fell in 1990-91 with a mere 9 per cent growth, compared to 17 per cent in dollar terms the year before. Even with devaluation and reforms, the Government estimates a growth of 9 per cent this year. The trade deficit of Rs 10,644 crore may not be affected this year.

MONEY CRUNCH: With the Reserve Bank of India squeeze and insistence on higher margin money from importers, too many people are chasing limited cash.

COMING TAX BLOW: The Government has to live within its means. Thus, it is likely to raise an estimated Rs 2,000 crore through more taxes.

POLITICAL STABILITY: There is no guarantee that even a serious economic crisis will stop politicians from playing destabilising games, specially six months down the road when the reforms begin biting.

WORLD TRADE: The exports push needs a favourable world trade environment. The growth in world trade—which is what will help India—may not exceed 4.5 per cent this year.

POSITIVE

CORPORATE RESULTS: 1990-91 was a good year. A study of 850 corporate results showed net profits up by 37.4 per cent to Rs 3,291 crore. That should help in 1991-92.

INDUSTRIAL PRODUCTION: Output was moderately good—an increase of 8.5 per cent till February.

FOODGRAINS OUTPUT: It stands at a record 177 million tonnes. Buffer stocks total 20 million tonnes, giving room for manoeuvre on prices. The target for 1991-92 is 182 million tonnes. A good monsoon should make this achievable.

But taking the Congress party along is a difficult task. It requires skilful handling, not only of senior leaders and state bosses but also MPs. Congress MPs know that Rao is not a vote-gatherer. Unlike a Gandhi family member, the new Congress president cannot win elections for the party. And this can prove dangerous for Rao in the long term, especially if dissent builds up in case prices rise menacingly and the rural vote banks scream murder as the belt-tightening measures filter down to them. Dissatisfied Congress MPs will try to take advantage of the economic hardships which are bound to come in the near future. In fact, some of the younger MPs such as Ratnakar Pandey—believed to be upset at not being given a ministerial berth—have already criticised the devaluation of the rupee. For the moment though, they are in a minority.

But Congress MPs are generally concerned about the price front. Most of them believe that the Opposition will take advantage of the situation. "Prices are bound to go up and it will affect the party's credibility," says a Congress MP from Tamil Nadu. However, that is unlikely to make Rao stop his liberalisation package—though one theory has it that if Manmohan Singh's pushiness turns out to be politically lethal, he will be sacrificed instantly. The way things are, Singh's success at economic policy restructuring depends on how successfully Rao plays the political game, and how long he, his party and the Opposition back the finance minister. Right now, it looks good. "They (Rao and Singh) have pushed some measures through and that shows backing," says Aditya Birla, chairman, Grasim Industries. "But backing or no backing, there is no alternative to reforms."

IMF PRESCRIPTION

HOW should—or how will—the Government go about effecting the economic miracle it has promised? How, for example, will it handle the budget? A senior World Bank executive in Washington D.C. says international lending institutions are "impressed" with New Delhi's resolve to "maintain its impeccab credit record" as well as its willingne to "correct economic imbalances"—fo instance, devalue the rupee and cu subsidies. But everyone will be waitin and watching for a while, including th IMF, which has been formally a

THE BACKROOM BOYS

Moving at a Rapid Pace

SENIOR government econom and bureaucrats spent mo drafting policy papers rec mending revision of exchange ra amendments to FERA and the tr policy and then, watched their ef collect dust through two administ tions. Now, they are told to get cra ing. Ministers who once lo askance at such efforts, now reach for reform with an alacrity usu reserved for out-of-turn quotas. W in hours, documents are hastily vised and discussed and present the finance minister.

A tiny core group of men within Finance Ministry, the hottest sp the capital, look like war veterans haven't seen my children in a we groans Deepak Nayyar, chief e nomic adviser at the ministry, a rushes out of his office at midnigh

MONTEK SINGH AHLUWA

Commerce secretary. A consi proponent of liberalisation. Le actor in the PMO of both the R Gandhi and V.P. Singh governm Prepared a consensus note in 199 the direction of then cabinet secr Vinod Pande which was later c the *M Document*—the first co study on ways to overhaul the e omy and free it from arbitrary con proached by India for a short-term loan of anything between $1.75 billion and $2 billion (Rs 4,550 crore to Rs 5,200 crore). And if the policy falls short of the IMF prescription—the other elements are denationalisation of the public sector, decontrol of industry, and deflating the economy—it could very well jeopardise the loan.

Liberalisation apart, the Government will have to cut back on its budget deficit. And the only way it can do that without adding to the problems, say analysts, is to make sure that the Government doesn't pull in more than Rs 3,000 crore in fresh revenue and, at the same time, cuts its own expenditure. Export subsidies have got the axe, and now it appears to be the turn of fertiliser and food subsidies. "I think fertiliser subsidy will definitely go in the forth-

yet another meeting with his boss, Manmohan Singh, who has just arrived from the Prime Minister's Office. Nayyar is often reduced to surreptitiously biting into a sandwich at press conferences where Singh announces new policy measures. It is Nayyar's job to ensure that late-night policy decisions make it to the next morning's papers. He himself hasn't had time to read newspapers in the last fortnight.

The policy scrabble fall-out is hitting other ministries, too. "There's an air of unreality about all this," says a senior bureaucrat in the Industry Ministry. For instance, in 1988, the Working Group on Exports had proposed an Exim scrip—the freely tradable replenishment licences that Commerce Minister P. Chidambaram has now okayed—and realistic exchange rates for the Eighth Five Year Plan. Montek Singh Ahluwalia had worked on over 20 drafts of the policy as commerce secretary in the last government. "It was approved, but nothing moved," says a ministry official. "Then within 48 hours it was all done."

Yet, when it came to devaluation, officials knew about it only through a PTI newsflash. The move was decided during a top-secret meeting between the prime minister, Singh, Finance Secretary S.P. Shukla, Deepak Nayyar and RBI Governor S. Venkitaramanan. The decision to devalue in two stages and then ensure that the finance minister shrugs off the first devaluation as an RBI action was purely political, made at the insistence of the prime minister and Singh, despite suggestions to the contrary.

Perhaps more important than the rapid-fire changes is the level of discussion in the Government. "For the first time we are talking perfect technocratic sense," says a senior bureaucrat who has served every administration since 1980. Chidambaram, for one, is not content with the prime minister's directive to think big. He tells officials that he is going to think bold.

But helping Manmohan Singh rewrite India's economic history is one thing. Dealing with a nervous Congress(I) is something else. Not to mention an opposition that is baying for blood. Whatever the finance minister may say in public about total support from the party, the truth is different. "We're being hit on the head from all sides," says a Singh aide who is being harassed over his private hotline by various Congress worthies.

And underneath all this is an intense air of uncertainty. Bureaucrats have no idea when the axe will fall on their heads. Many have retained their positions despite the change in government. Considered to be marked men by their peers, these officials are torn between two possibilities. One: they are used to implement policies and then junked. And two: they are retained for a job well done. All eyes are currently glued on the prime minister whose decision to push through with reform is the lynchpin of all these operations. The backroom boys may feel exhilarated by the pace of policy change and their apparent usefulness in the scheme, but they are watching their career graphs as closely as they are watching over India's economic future.

—SHAHNAZ ANKLESARIA AIYAR

DEEPAK NAYYAR

Chief economic adviser to the last three governments. Former IAS officer who went into teaching and was brought back to government by the V.P. Singh administration. Nayyar's Ph.D. thesis argued the opposite of the reforms that he is now spearheading, that the boom in Indian exports during the '60s had little to do with devaluation and more to do with the boom in world trade.

A.N. VERMA

Principal secretary to the prime minister. Previous assignment as industry secretary. A seasoned bureaucrat and the guiding spirit behind current reforms in industrial policy. He had also formulated the industrial policy during V.P. Singh's regime. Major inputs provided by Dr Rakesh Mohan, adviser to the ministry, and internationally acclaimed expert on urban development.

S.P. SHUKLA

Finance secretary. Main negotiator with GATT in the last government when he was commerce secretary. Particularly known for his scepticism and caution in proposing economic changes and reforms although he is currently completely committed to pushing forward the reforms that have been recently initiated by the finance minister.

coming budget," says S.S. Nadkarni, chairman, Industrial Developmemt Bank of India. "In food subsidies, the administrative machinery has to be tightened to prevent leakages." The two are tied. The cut may be on these lines: the Government cuts the present Rs 6,000 crore of fertiliser subsidies gradually, say by 15 to 25 per cent a year. This would reduce the burden and prevent the public outcry that a full cut could bring.

Alongside, it proportionately raises the procurement price of crops to offset the inevitable price rise in fertilisers. And in the third stage, it reduces food subsidies, currently at Rs 2,500 crore a year, by limiting purchases at the ration shop to families who earn less than Rs 2,000 per month. Subsidies could be cut by better policing of the rationing system. Former finance minister Yashwant Sinha says that the number of registered ration card-holders almost equals the population of the country. Surely, there is something wrong, he says, as the public distribution system barely operates in the rural areas where 75 per cent of India's population lives. Most of the names are obviously bogus.

A major saving can also be brought about in the public sector by selectively privatising units. "I think a beginning in that process would be made," says Viren Shah, chairman and managing director, Mukand Limited, and a BJP member of the Rajya Sabha. "But it will be slow." However, sloth over privatisation is something India cannot afford. On an employed capital of Rs 99,315 crore, the public sector returned a profit of just Rs 3,781 crore last year, and if petroleum companies are excluded, the figure drops to a dismal Rs 881 crore. This, with their product prices dictated by the Government. One way out is to spruce up public sector units by increasing productivity and retrenching bloated manpower through attractive premature retirement benefits. The other is to sell off equity to the public or sell the units themselves, not merely those which are making losses, but the ones which the private sector can handle a lot better. Hotels and telecommunication equipment manufacturing units, for exampl

Says S.L. Rao, director-general, National Council of Applied Economic Research: "The present budgetary cris has brought about a situation where th

WHO NEEDS IMPORTS ?

Nominal tariff rates, 1985 % of value

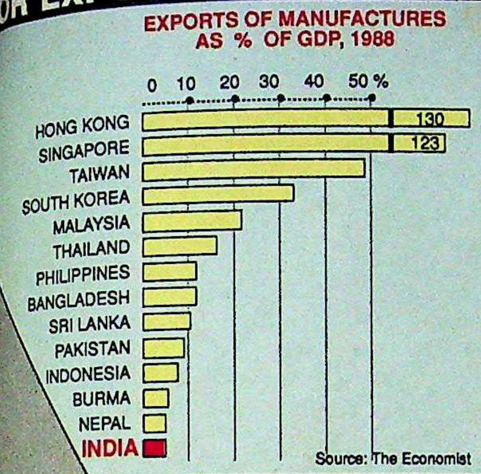
	Intermediate Goods	Capital Goods	Consumer Goods	Manu cture Good
Hungary	14.2	15.0	22.6	20.5
Yugoslovia	18.0	20.7	20.0	19.0
Argentina	21.2	25.0	21.9	22.9
Morocco	21.6	18.1	43.0	27.3
Philipines	21.8	24.5	39.0	28.0
Mexico	25.5	23.5	32.2	24.7
Thailand	27.8	24.8	8.5	33.6
Turkey	29.4	54.9	55.3	37.1
Pakistan	75.0	73.8	127.3	89.8
China	78.9	62.5	130.7	91.2
Bangladesh	97.9	80.5	116.1	100.8
INDIA	**146.4**	**107.3**	**140.9**	**137.1**

Source: World Bank/The Economist

PRIDE
Why you won't let even your Scandinavian furniture come in the way of showing off your floor.

by B.K. SHARMA

OR EXPORTS ? NOT INDIA



Source: The Economist

VOLUME OF EXPORTS OF MANUFACTURES
average annual growth %

	1980-85	1985-88
HONG KONG	9.6	14.0
SINGAPORE	5.4	26.1
TAIWAN	13.3	28.1
SOUTH KOREA	13.0	23.9
MALAYSIA	17.7	13.8
THAILAND	15.4	27.8
PHILIPPINES	4.5	7.7
BANGLADESH	2.6	10.5
SRI LANKA	21.2	2.6
PAKISTAN	6.4	17.4
INDONESIA	146.9	17.2
BURMA	n.a.	n.a.
NEPAL	25.9	0.1
INDIA	0.1	12.8

To get anywhere internationally—and for new policies to succeed—import barriers must go and exports be increased.

Government has no choice but to sell public sector equity." At the moment, however, the proposal is up in the air. As is the possibility that things are all going to neatly fall into place.

WILL IT ALL WORK?

IN May this year, *The Economist* published a survey of the Indian economy. The article mentioned that the Government must dismantle "an unbelievably complicated system of restraints and rewards that, over the past four decades, has securely enclosed every part of Indian life. The first and the necessary step is to see these restraints and rewards as the cage they are." The piece goes on to add: "Depressingly, India is far even from realising that." *(see page 33).*

In the two months since the survey and the present scenario, the realisation appears to have sunk in. Ministers and bureaucrats have, over the past fortnight, been working overtime to tell India and the world that they realise where earlier policies went wrong. And what needs to be done now. Decontrolling and delicensing industry are the buzzwords of the day, and it is likely to get translated—through a new industrial policy—before the budget.

India may suddenly turn liberal and allow multinational companies to come in more freely than ever before. The Government may even offer a 51-per cent equity holding for foreign investors, giving them the majority stake they have lobbied for all these years. Royalty payments may be raised from the present 5 per cent to

Observe the effect your Spartek floor has on visitors. It simply corners the conversation in your living room. And everything else - even your prized furniture - pales into insignificance. That's because every Spartek tile is meticulously crafted to European standards. So your Spartek floor brings home all the European ambience you've been looking for. Now, who needs the Scandinavian furniture?

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make transfer of technology to India more attractive. Still, nothing may happen for a long time. "Simply announcing liberalisation is not enough," says T.N. Srinivasan, professor of economics at Yale University. "We have to see it is still in place even when there is no response in the short run." Reason: everybody, at home and abroad, is watching and waiting to see whether the Government is serious about its liberal intentions.

Take, for example, the Japanese point of view. The world's most prolific investors—the Asian tigers have benefited immensely through consistent Japanese investment in their economies—came to India at the behest of Japanese banks operating here and found the investment climate far more restrictive than they were led to believe. Red-tape, delays and the problem of FERA restrictions made them wary. There is another point. "Japanese businessmen want 100 per cent holding because they believe their desired level of quality control can't be exercised by an Indian company," says Michihiro Shinohara, general manager of Sanwa Bank in India. "The gap between acceptable quality standards in India and Japan are huge." He has a point: Indian products are price-competitive abroad, thanks to the rupee being devalued, but are still a long way off from being internationally competitive on quality. As things stand, even NRI investments may not find their way to India. "They may love India," says a senior Finance Ministry official, "but they love their money more."

How the Government handles po cal flak, an entrenched bureaucracy a a recalcitrant labour pool—which cou turn belligerent, for example, privatisation and competition leads retrenchment—is as important India's economic well-being as th Government's ability to cut back expe diture and manage its resources. A here, there could be major problems.

For instance, the Centre of Indi Trade Unions, affiliated to the CPI(M), a the All India Trade Union Congress, a CP led labour union, are trying to build movement against the Government's reform moves. Chaturanan Mishra, CP MP and a former trade union leader, sees in the current policy changes an atten to "liquidate the policy of self-reliance". The left trade unions are planning to

THE OPPOSITION

Balancing Act

AS for the opposition, it's a matter of necessity. Of supporting a minority government in Parliament to help stabilise the country. Of being in the opposition and therefore, opposing Congress(I) moves to restructure the economy. The necessity of protecting vote banks, devaluing the rupee or not, going to the IMF. And finally, the necessity of liberalising the economy.

While opposition parties are agreed on all counts, this very consensus could lead to conflict with the Congress(I). BJP leader L.K. Advani says his party "is not ideologically opposed to liberalisation". But at the same time, he questions the way the Government has approached the IMF. "They have accepted everything the IMF wanted without even trying to negotiate." The strategy is obviously to distance the party from social tensions which rising prices, due to devaluation, are expected to create.

"There should be a dialogue between government, industry, labour and the political parties," says Janata Dal leader V.P. Singh. "There need not be conflict." But the National Front's Left allies don't agree fully with what is happening. The CPI admits the need for an IMF loan but is against devaluation. "One of the biggest deficits is in the balance of payments," says Indrajit Gupta, CPI leader, "How will devaluation improve the situation?" The Left parties are also comfortable with multinational companies in India—provided they bring in technology—but are against cuts in food subsidies. But the Left's real fear is that its constituents, bred on political rhetoric about subsidies and the need to reduce prices, will react with hostility when reform measures begin to bite.

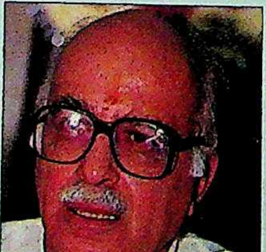
Opposition fears mirror attitudes in sections of the Congress(I). Because reform measures are going to hurt both the weaker sections and the rich. This worries the BJP. Privately, party leaders say the people who stand to lose the most from de-controlling the economy are businessmen—the largest contributors to the party's funds. These people thrive under controls, and routinely get their way by compromising government officials. Pressure on the BJP to oppose liberalisation moves may come from these centres of power as much as from elsewhere.

As for the party's Bharatiya Mazdoor Sangh, the leadership says it will not do anything which goes against the grain of its policies. While stressing that the Sangh is an independent trade union, the leadership insists that it "will join us in any party initiative." The BJP has planned nationwide demonstrations on September 28. The agitation will be supported by the Sangh which, in the meantime, is not expected to join other trade unions in any protest. So the diktat is clear—the BJP's policy is to give the Government a chance.

There is little doubt that supporting the Congress(I) could get a bit tricky. "When you are in the business of politics," says Dubashi, "you have to think of your customers." This, however, is one consideration that India can do without.

—ARUN CHACKO
and SHAHNAZ ANKLESARIA AIYAR

"The Government, industry, labour, and political parties should all hold a dialogue."
V.P. SINGH, *Janata Dal*



"They have accepted everything the IMF wanted, without trying to negotiate."
L.K. ADVANI, *BJP*

ON THE HIT LIST

WHEN an economy moves towards lesser state controls, certain jobs become redundant. Some examples.

Chief Controller of Imports & Exports: A 3,000-strong staff regulates imports and implements export-incentive schemes. It handles around two lakh applications a year for import licences and export subsidy claims. With the suspension of export subsidies, and the emphasis on tying import rights to exports through the REP scheme, the office's functions have been halved.

Directorate General of Supplies & Disposals: Deals with Rs 3,000 crore worth of purchase decisions annually for supplies (stationery, office equipment) to government departments. These can be handled by the user departments themselves. The DGS&D has bloated into an organisation of 4,500 people.

State Trading Corporation and Minerals & Metals Trading Corporation: Government canalising agencies for bulk imports such as fertilisers, edible oils, iron and steel and non-ferrous metals. They make money because they get business by government decree. With huge overheads and over 6,000 employees between them—they do their jobs inefficiently. With trade liberalisation, both STC and MMTC will survive only if they convert themselves into lean trading combines.

Directorate General of Technical Development: Acts as the Government's principal technical advisory organisation on technology imports, import substitution and foreign collaboration. In reality, the 1,100-strong directorate is a stumbling block for entrepreneurs. It gets 55,000 applications every year. With licensing liberalisation, entrepreneurs can do the directorate's job just as well.

Controller of Capital Issues (CCI): Decides on premia for new capital issues by companies. In the last 12 months, the CCI cleared issues worth Rs 9,500 crore. In other countries, this job is left to merchant bankers. With the Securities and Exchange Board already playing the role of market watch-dog, the CCI has almost become redundant.

the road soon to organise protests and are also planning an all-India industrial strike on this issue.

Add to this the probability that bureaucrats in danger of losing their jobs may try to block efforts at cutting red tape, and the potential roadblocks to reform are frightening. Then there are the politicians who say they support the Government's reform moves but are nervous about offending their vote banks. And as a final twist, add monopolists—brought up on a diet of the licence-permit raj—who see in increasing domestic competition a reduction of their clout. If these four groups get going, as they might, then India will stay caged.

But more than anything else, the country's recovery depends on the Government moving rapidly with policy initiatives and making sure that the inter-linked model it is working on doesn't fall apart. For instance, to work, devaluation must push exports fast before prices zoom, as they might since imported items will cost more, thereby forcing another devaluation. The 20-per cent devaluation will push up exports, but merely to neutralise the negative impact of higher rupee costs of essential imports—petroleum products, industrial raw materials and edible oils, among other items—exports will have to rise by almost Rs 4,000 crore. Immediately. Even if it does, higher taxes—brought on by a possible revenue shortfall from customs tariffs—and increases in the cost of freight, coal and steel can still drive up prices. The Government must pad the effect by cutting its expenditure so that it raises less additional revenue. But cutting expenditure also means cutting down the size of government. The only way out is to push the restructuring throttle wide open, ignoring cries of pain, rapidly opening up the economy, and pushing exports as if life depended on it. "Getting nervous midway will make the situation worse than it is now," says Bimal Jalan, chairman of the Economic Advisory Committee to the prime minister.

So, will it all work out? Today, the finance minister and his crew are hoping it will. In effect, they are betting on their policies staying true in the future. If they win this high-stakes wager, the country is saved. If they don't, India will become an irretrievable basket case. It had better work.

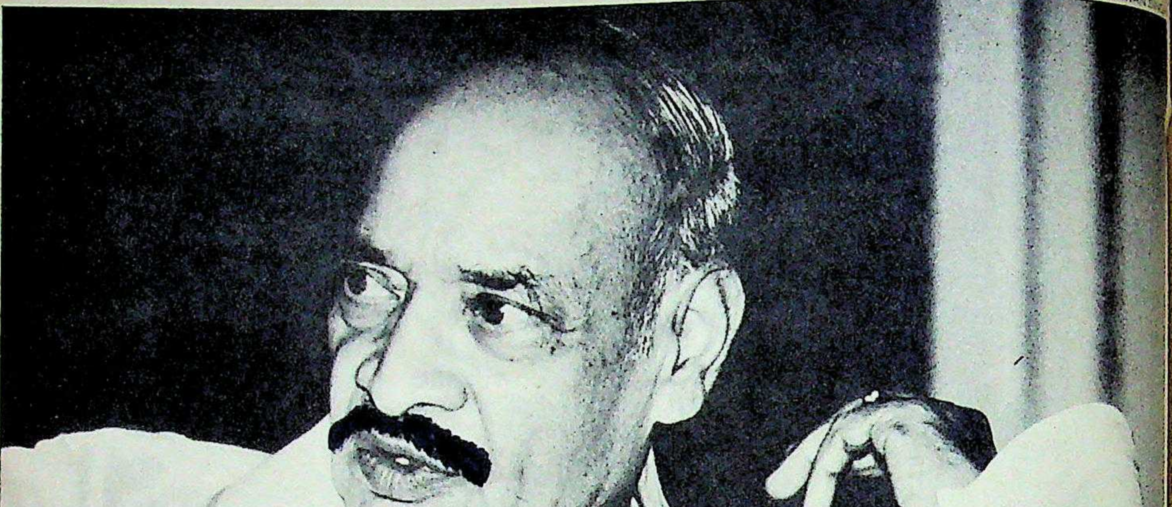
—With AMRIT KAKARIA
in New York and bureau reports

THE CAGED TIGER

IT is interesting how the foreign perception of India's economic potential shows more hope than displayed by Indians themselves. In May 1991 a leading international magazine The Economist *published a survey of India's economy, and referred to India as a 'caged tiger'. An excerpt:*

'INDIA is not merely capable of making great inroads into poverty over the coming decade; that should be the least of its ambitions. It is an economic miracle waiting to happen. Indians are fond of saying that whereas Japan, South Korea and the other thriving economies of East Asia are tigers, their own country is an elephant: immense, cautious, slow-moving, but also sure-footed, strong, purposeful. The idea is as false as the notion of the Hindu rate of growth.

If a zoological metaphor is desired, a better one is this: India is a tiger caged. This tiger, set free, can be as healthy and vigorous as any in Asia. Releasing it will, however, be immensely difficult. What needs to be done is quite clear—which makes India's misery all the more heart-breaking. The challenge is political. The government must dismantle an unbelievably complicated system of restraints and rewards that, over the past four decades, has securely enclosed every part of Indian life. The first and the necessary step is to see these restraints and rewards as the cage they are. Depressingly, India is far even from realising that.'



BHAWAN SI

P.V. NARASIMHA RAO

"Our confidence has increased"

UNLIKE Rajiv Gandhi who wore his prime ministerial robes with pomp and flourish, and unlike V.P. Singh who constantly struggled with the office, P.V. Narasimha Rao's approach to his duties is one of Hindu detachment. The crown rests easy on his head. He is neither overawed by his job nor daunted by it. His approach is low-key, serene and calibrated, and he appears to take the onerous task in his stride. It is, so to speak, his political karma, and his attitude seems fashioned accordingly: he must do what he has to do.

Contrary to news photographs that show him looking haggard and dour-faced, Rao, up close, has a sage-like presence, his face remarkably free of wrinkles, his eyes alert and direct, his articulation precise, his demeanour non-combative, pleasantly evasive, forceful when necessary. He is certainly not the kind of leader who creates unpleasantness with his aides or arouses strong passions among colleagues.

He is a good listener, often closing his eyes to increase his concentration, sometimes bending his head leftward and cradling his chin and cheek-bone in the V of his thumb and an extended forefinger. He is frail, but he sits erect and steady. Rao is also remarkably unflappable. During a blistering summer afternoon, the electricity in his 11, Motilal Nehru Marg residence—in the monsoon- and power-starved capital—went out thrice during the course of a long interview, but he remained unfazed, continuing the discussion without once interrupting to tell his aides to switch on the reserve generator.

Dressed in a cream silk kurta and starched white dhoti, the prime minister took an hour off—his regular siesta time—from a hectic 14-hour daily schedule that starts at 8 a.m. to talk to Editor AROON PURIE *and Executive Editor* INDERJIT BADHWAR. *Excerpts:*

Q. *How does it feel to be prime minister at a time when the entire country seems to be going haywire?*

A. It's a big challenge. First it seemed to be an almost insurmountable task but in the past few days it seems to be less so. Not that problems have been solved. It's just that our confidence has increased.

Q. *Why did the task seem impossible then and what specifically increased your confidence now?*

A. After the assassination there was darkness all around and the depression in the Congress ranks marked the lowest point in our spirits. But when the campaign caught momentum, I found that people were looking to the Congress again for an era of stability. Before we were sworn in as ministers, the reports on the economic situation were daunting and when we came into the Government, the actual situation was even more daunting.

Q. *There has been a blistering pace of change. Did you envisage you could move so fast?*

A. I did think we were in for big changes; changes that would surprise even us. Well, one by one we immediately started our packages of reform because we knew that unless we quickly put them together there was no hope. On the question of balance of payments the country was on the verge of becoming a defaulter. That was the real challenge that gave us the impetus and urgency to go ahead. It was the only means available. We had to do something that the credibility of the country wouldn't suffer. And the reactions, the reports from abroad about India's capability of rising to the occasion, have been quite encouraging. Friends abroad and NRIs have sent me messages pledging full support. Compare this with the situation when NRIs had not only ceased to make new deposits but the outflow of funds had reached disturbing proportions. There has been a change in just two weeks. Our realisation is that the economy was not bad inherently but was mismanaged.

Q. *Could one of the reasons for the speed of the change be that you are fearful of obstacles developing later?*

A. No, the changes had to come at the pace they have come. It could not be otherwise.

Q. *With the economic restructuring, it is bound to lead to people leaving their jobs and building up of resistance from trade unions and others. Are you ready to face that?*

A. We must face that in the short run. If we don't, if we fight shy of the short-term effects, the long-term consequences will be horrendous. This country will never be able to recover again.

Q. *But since yours is a minority government, your political will may waver in the face of such opposition.*

A. The compulsions of the situation are such that being short of 10 or 15 votes should not matter in the results we want to achieve and the problems we'd like to mitigate. Some sacrifices have to be made. But they will be distributed in proportion to the capacity of those able to bear them.

Q. *Have you taken the Opposition into confidence?*

A. I have talked to all opposition leaders and the response has been encouraging. It remains to be seen how support—based on issues—will come. I had asked them for general support but they preferred support on the merit of each issue. If I come up with something that is not acceptable to any party then it's a non-starter. I can't, for example, bring in a constitutional amendment. I just do not have the numbers. But if it becomes necessary in the national interest, then it will have to be with the cooperation of all parties.

Q. *Do you think you'll get support on your budget?*

A. While I cannot reveal what will be in the budget, I think there will be agreement in view of the support we already see for the reform packages.

Q. *The last election produced a somewhat incomplete result. Do you see a realignment in the works in terms of parties or factions joining you?*

A. As I see the results, the people voted for the Congress to run the Government and for the other parties to be alert but also cooperate with the Congress. Anything done by opposition parties to bring down the Government will not go down well with the people.

Q. *As a minority government, do you think you have the mandate to make such radical changes?*

A. We have the mandate and no other party has the mandate. What is necessary is necessary and someone has to do it. And the people chose the Congress to do it.

Q. *What are your other priorities?*

A. There's Punjab and Kashmir. Within a few days we will come out with a formulation on Punjab and we would like to take all parties into confidence.

Q. *Doesn't the postponement of the Punjab elections cast a shadow over these efforts?*

A. We kept out of the elections because we did not think they were going to be fair or free. There was hardly any campaigning. Candidates were more or less prisoners. And one of the parties saying that the elections were a referendum on Khalistan complicated matters. So we kept out. Now some other parties are veering to the same view. The postponement came in handy for taking a second look at the situation.

> "If we fight shy of the short-term effects of economic reforms, the long-term consequences will be horrendous for the country."

Q. *But you were a party to the postponement.*

A. No. We asked for postponement from the beginning. So when the postponement came, the opportunity we thought necessary came our way and we will make use of it.

Q. *But there was some link in the sense that your government got elected and then the postponement took place.*

A. That is in the hands of the Election Commission. I would not like to bring that matter into controversy, though there may have been some.

Q. *In Kashmir, violence and kidnappings are increasing and the Government seems to be in a soft-state situation in which it is reduced to bargaining with terrorists.*

A. The morale of the people in general must be shored up. They are helpless. The authorities oscillate between action and inaction. Something needs to be done to bring the situation back under control. I am having detailed discussions with leaders of the parties in Kashmir—the BJP, the National Conference—and we'll formulate our next steps subsequent to that.

Q. *The whole world and international relations are changing. Since we will be depending increasingly on the West for markets and technology, will our relations undergo a change?*

A. We have always had good trade relations with the West. Now we have to increase the volume and increase our own efficiency to get more effectively into that network.

Q. *What about Ayodhya? What if the Uttar Pradesh Government starts construction of the temple?*

A. We are watching the situation. But we have taken the position that the temple should be constructed without dismantling the mosque. We are sticking to our stand.

Q. *But the BJP sees that as its mandate and that clashes with your stand.*

A. They have also taken stands that are not identical from start to finish. During the election campaign, Advaniji said the temple is no longer the main issue. There's a world of difference between what they started with and what they went on to say as they found it possible that they may come to power.

Q. *Would you consider the issue serious enough to dismiss the state Government?*

A. These are matters on which it is safer for everyone and the country not to make premature remarks.

Q. *How will your government handle the issue of proving your majority in Parliament?*

A. We don't have to prove our majority, we have to show that the House has confidence in the Government.

Q. *Have you obtained a commitment from the Left parties?*

A. There is no commitment. But the prospect of this government coming down within a fortnight of its formation is nil.

Q. *How long will the Government last?*

A. Five years.

Q. *There was a leadership struggle*

CONGRESS(I)

Sitting Pretty, For Now

ON the surface all that seemed to be dominating the scene in the highest echelons of power last fortnight was economics. As Finance Minister Manmohan Singh began a high-profile overhaul of the economy—with little or no opposition building up—it seemed that politics had been put on the backburner.

But on the eve of the crucial monsoon session of Parliament, the Congress(I) seemed to be sitting pretty on an equally critical front. With its nominee, Shivraj Patil, elected Speaker, and with the opposition parties declaring on record that they would be making no attempts at toppling the P.V. Narasimha Rao regime, the minority Government appeared to be sailing into fortuitous fair weather. But the prevailing smugness was deceptive. It had been preceded by many days of hectic political manoeuvrings, as the Congress(I) heavyweights confabulated with the opposition parties to ensure that the new Government was not embarrassed in Parliament.

Short of 10 MPs for a simple majority, the Congress(I) was faced with the choice of securing the tacit support of either of the two major opposition groupings in Parliament: the National Front-Left combine of 126 MPs, or the BJP-Shiv Sena with 121 MPs. In the House of 507 members, the Congress(I) on its own has 226 MPs, while its allies (AIADMK: 11; Muslim League: 1; Kerala Congress(M): 2; Janata Dal(G): 1; Sikkim Sangram Parishad: 1 and nominated: 2) have 18. And though the Parliamentary Affairs Minister Ghulam Nabi Azad was confident of garnering the shortfall of 10 MPs from small parties like the Majlis-e-Ittehadul Muslimeen, the BSP, the Samjawadi Janata Party, and the Jharkand Mukti Morcha, the Congress(I) could not risk enacting legislation and passing the budget on a razor-thin majority. The potential for embarrassment was enormous.

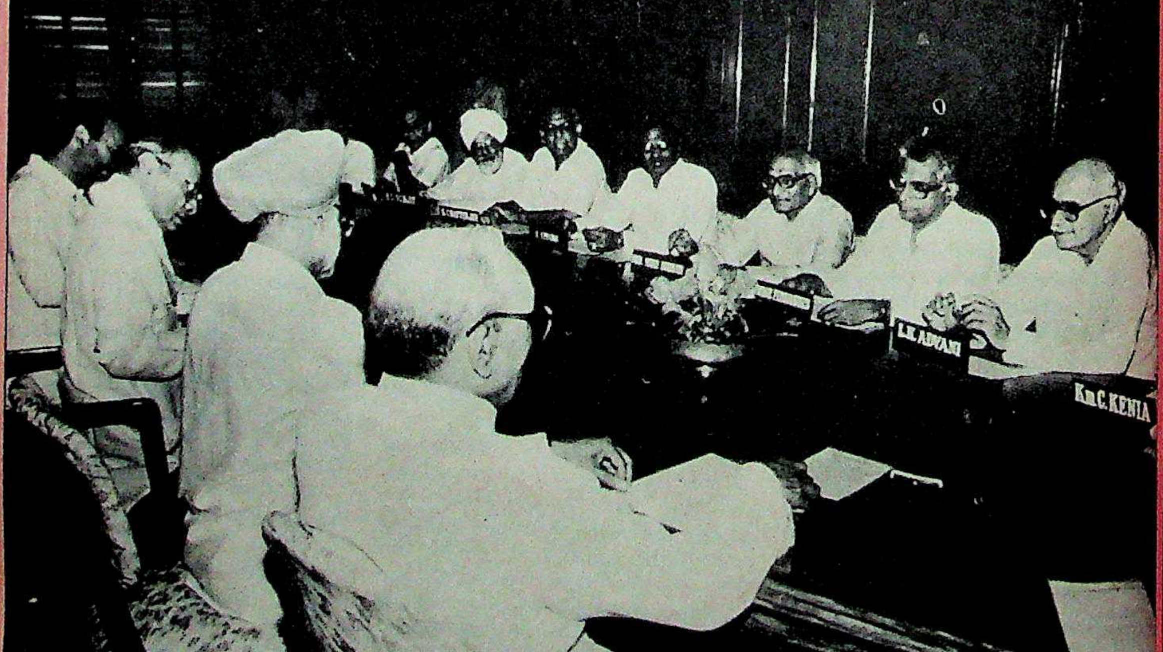
The issue was therefore discussed at the highest level. In the first week of July, Prime Minister Narasimha Rao called a meeting of senior party leaders, including Azad, Home Minister S.B. Chavan and Human Resource Development Minister Arjun Singh, to chalk out a strategy. It was decided to first attempt to use the CPI(M) as a prime mover for seeking the cooperation of the National Front-Left combine.

Following this, Pranab Mukherjee, deputy chairman of the Planning Commission and firebrand state Congress(I) leader Mamta Banerji met West Bengal Chief Minister Jyoti Basu in Calcutta, seeking the Left combine's support and offering in return the Centre's cooperation in clearing West Bengal's pending projects. Two of which, the Haldia Petrochemical and Bakreshwar Thermal Power Plant, Basu has been very keen on.

Azad, who had been entrusted with the task of orchestrating support from the opposition parties, then met V.P. Singh twice, and called on the CPI General Secretary Indrajit Gupta and the CPI(M)'s Harkishan Singh Surjeet many times. Azad harped on the convention that allowed the ruling party to have a Speaker of its choice while the Opposition nominated the deputy

Prime Minister Narasimha Rao briefing leaders of the opposition parties on the Government's economic agenda

SHARAD SAXENA



speaker. He offered the Left combine a deputy speaker of their choice if it backed Shivraj Patil for Speaker.

Nor was the Congress(I) dealing with kid-gloves alone; there was also the hint of the iron fist. While Azad negotiated, Congress(I) spokesman C.B. Thakur suddenly warned the Bihar Government about the "deteriorating" law and order situation in the Janata Dal-ruled state. The message was clear: the Centre was well-positioned to strike back if the Janata Dal tried to play games with the minority Government at the Centre.

> The biggest factor working in the Congress(I)'s favour is that no political party, not even the BJP, wants to face another election.

Annoyed by the tone of threat, V.P. Singh summoned a meeting of the combine's coordination committee on July 6, and with the help of N.T. Rama Rao and Indrajit Gupta scotched the CPI(M)'s plans of backing the Congress(I), and the combine announced Rabi Ray as its nominee for speakership. V.P. Singh, on the other hand, was working out his own electoral calculations. Even on the eve of the Speaker's election, the night of July 8, Arjun Singh and S.B. Chavan called on V.P. Singh to dissuade him from putting up Rabi Ray as the National Front-Left candidate for Speaker. But by then Singh had crystallised his strategy. In order to guard his Muslim vote bank in the crucial Hindi belt, Singh wanted to push the Congress(I) closer to the BJP. So Singh stuck to his guns and the talks were abandoned.

The Congress(I) had no choice but to parley with the BJP. Rao invited L.K. Advani for dinner to his residence. Advani came accompanied by Atal Behari Vajpayee and Vijayaraje Scindia and finalised a deal with Rao and his colleagues, including Chavan, Azad, and Arjun Singh.

With the Speaker issue out of the way, the Congress(I) needed to think about ensuring a smooth passage for the heavy business scheduled for the Lok Sabha session from July 9 till September 13. The Government had scheduled the railway and general budgets for July 16 and July 24. On July 30, the Rao Government will also have to seek a vote-on-account to keep the Government functioning pending passage of the budget proposals. On the legislative side, the Government will have to replace seven ordinances introduced during the inter-session period, and it may well have to face flak from the Opposition on issues like the impeachment of T.N. Seshan, the rupee devaluation, and the pledging of gold to foreign banks.

But for ensuring its survival, the Congress(I) has to thank prevailing circumstances more than any quality of its own diplomacy or consensual approach. The biggest factor ensuring the survival of the Rao Government is the fact that no political party, including the BJP, can afford to force another poll on the country. Says the National Front Chairman N.T. Rama Rao: "We will deal with the Government as an opposition party should, but there is no question of pulling it down."

The Left, as always, has its own views on the prevailing political situation. For the Left, the era of "one party rule is over and the parliamentary system can survive only through a consensual approach". Advani too prefers a consensus approach on all major national problems. A BJP vice-president sums up the prevailing sentiment when he admits candidly: "Can we afford to go to the polls?"

The Rao Government is therefore sitting pretty. Psychologically too, the Opposition's inability to force a major confrontation with the Government soon after elections has made the Congress(I) feel more secure. No wonder Azad oozes confidence, declaring: "The Government cannot fall. The Opposition has also assured us that it will not topple the Government."

In the weeks before the convening of Parliament, the Rao Government has started well, taking radical decisions on the economic front. Its tenure in Parliament may well be a stormy one. The opposition parties may stage walk-outs and attempt to embarrass the Congress(I). But Rao and his partymen can rest sanguine that their opponents cannot afford to topple the Government during the first session of the 10th Lok Sabha. —ZAFAR AGHA

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within the Congress(I) after Rajiv Gandhi's death. Some party members wanted a secret ballot to elect the leader. How has that affected the party?

A. There are no divisions in the party. If some people wanted a secret ballot, I don't see anything wrong in that. It's part of democracy.

Q. *But you didn't have it.*

A. We do not flinch from having a secret ballot but the party in its wisdom preferred to avoid divisions along those lines.

Q. *Are you hopeful of having elections within your party? Rajiv Gandhi wanted them but even he could not succeed.*

A. Not only hopeful, I am determined. At the end of the month we are calling all state party leaders and secretaries to plan this. There is no escape from elections and I'm sure not many of them want an escape. They also want elections because you know when someone continues in office year after year after year, he loses interest and people stop responding to him. So it's not a good situation for either of them. And there has been a demand for elections.

Q. *Do you support the concept of one-man-one-post?*

A. If the party wants that there's nothing to prevent it.

Q. *What is your feeling?*

A. I have no feeling on this. I'm holding two posts. But I'm in the hands of the party and have no objection if they decide to elect another president.

Q. *Would you support the idea of Sonia Gandhi running from Amethi?*

A. We must leave the matter to her. It is not fair for me to say anything beyond this. We have left all these matters to her, and that's how it should be.

Q. *But do you see a role for her in the party?*

A. She is already a member of the Congress family.

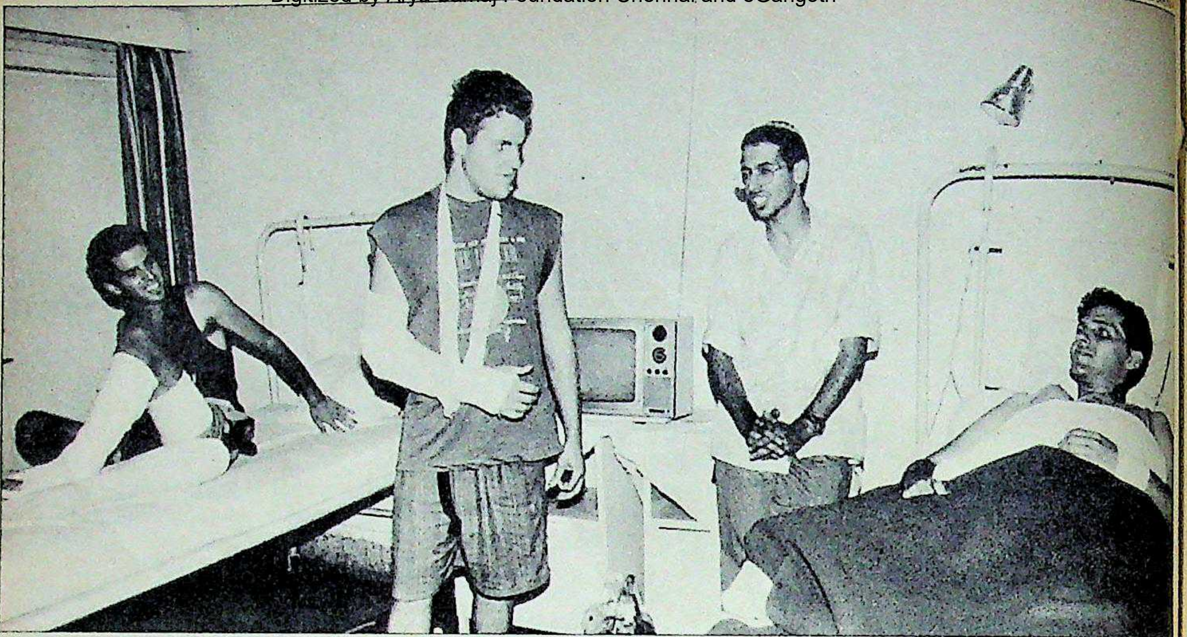
Q. *How is your personal style of administration different from Rajiv Gandhi's?*

A. We are continuing many of the things Rajivji did. I don't see any basic departure.... However, it's too early to make a distinction. But I do want to at the proper time because there is so much difference between a young man of 42-43 and the work being done by several of his colleagues who worked with him and knew what he wanted and still would like to do it in their own way.

Q. *It is said that you delegate more.*

A. Why should I not? He also delegated. To me. To others. He did delegate quite a bit.

Photograph by SHARAD SA



Injured Israeli tourists, and Yitzaki released by militants

JAMMU & KASHMIR

Kidnapping Trauma

Militant activity reaches alarming proportions

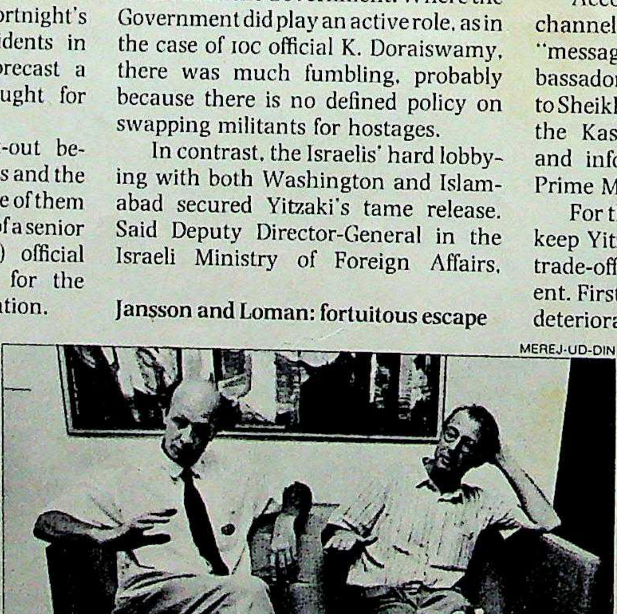
WITH tourist traffic through the Banihal pass having almost dried up, last fortnight's dramatic incidents in the Valley forecast a complete drought for the state's staple industry.

An unprecedented shoot-out between a group of Israeli tourists and the militants; the kidnapping of one of them by the JKLF; and the abduction of a senior Indian Oil Corporation (IOC) official made things uncomfortable for the state's beleaguered administration.

Yet two events stood out against the grim backdrop for their unexpectedness. One was the surprising release of the Israeli hostage, Yair Yitzaki, within a week of his capture by the JKLF. And two days later, the two Swedes, Johan Jansson and Jan Ole Loman made a breathtakingly easy walk to freedom after 97 days in captivity—the longest in the history of the strife-torn, border state.

In both cases the official Indian role was minimal. For Yitzaki, the militants chose to deal directly with the UN and when that failed, through mediapersons rather than the Government. Where the Government did play an active role, as in the case of IOC official K. Doraiswamy, there was much fumbling, probably because there is no defined policy on swapping militants for hostages.

In contrast, the Israelis' hard lobbying with both Washington and Islamabad secured Yitzaki's tame release. Said Deputy Director-General in the Israeli Ministry of Foreign Affairs, Moshe Yegar, who was in Delhi to handle the crisis: "I conveyed a recommendation to Jerusalem to find the right channels to the Pakistan Government to send a message to the militants. I was convinced that Pakistan could contribute by telling the JKLF to let Yari go."



Jansson and Loman: fortuitous escape

MEREJ-UD-DIN

According to an MEA official the channels were well-oiled enough for the "message" to be conveyed by US Ambassador in Islamabad, Robert Oakley, to Sheikh Rashid, an ardent supporter of the Kashmiri secessionist movement and information adviser to Pakistan Prime Minister Nawaz Sharif.

For the JKLF, which was reluctant to keep Yitzaki back without any evident trade-off, this line of action was expedient. First, it would enable it to repair its deteriorating ties with Pakistan. Second, it would generate publicity from an accidental hostage—Yitzaki literally fell into the militants' laps as he was running away from a hostile mob after the shoot-out.

The JKLF could not have chosen a better person to plug their more humane image. Recalls one of the three journalists entrusted with taking Yitzaki to the UN office in Srinagar: "There was a touching farewell. Yitzaki hugged his captors and they presented him with two JKLF T-shirts.

Later, the 22-year-old Israeli told journalists: "I am telling you from my heart they (JKLF) were very kind to me."

Already isolated, the JKLF action has further alienated it from alienated other pro-Pakistani militant groups. The Al-Umer Mujahideen called the decision to release the hostage a "hasty step". The Hizb-ul-Mujahideen, the Dukhteran-e-Milat, the Mahaz-e-Islam and the Pasdaran-i-Inquilab-i-Islami (which originally kidnapped the seven Israeli tourists) accused all Israeli tourists of being spies visiting Kashmir "to help India weaken our movement."

While the JKLF scored with hype, the Muslim Janbaz Force (MJF) has emerged a loser by letting its prized Swedish prisoners stroll away on July 6. The MJF had picked up the duo on March 31 in an attempt to internationalise the Kashmir imbroglio. But three months and 45 hideouts later, the group became desperate. Just two weeks ago, the MJF released a photograph showing Loman's left thigh bandaged, with blood and glucose 'drips' attached to his arms. The MJF claimed that Loman had been hit by two bullets when security forces raided their hideout. The next day, a handwritten letter penned by Jansson accused the security forces of trying to kill Loman.

However, after their escape, a perfectly healthy but weary Loman said that "the whole episode had been a big farce we were forced to enact at gunpoint". Jansson revealed he had been forced to sign his name on the letter and that he had not written his initials correctly "to give an idea that it was a fake". But after the incident, Loman felt he had signed his death warrant and the two Swedes decided to escape in a hurry.

For its part the MJF seems to have almost aided their escape. The night the duo made their break, the militants, unusually, slept in a separate room and left the captives' shoes in the same room. Again, instead of housing them on the first floor, the two hostages were kept on the ground floor. After the break was noticed, the group, instead of trying to trace them, issued a statement saying the two hostages had been released in Pulwama district at 5.30 a.m. The Swedes, however, happened to show up at Bijbehara town in Anantnag district.

While some foreigners continue to remain in the Valley in defiance of Government orders, no more are likely to visit the state in the near future. Kashmir's future is clearly a hostage to militant plans.

—W.P.S. SIDHU in Delhi
with ZAFAR MERAJ in Srinagar

ASSAM

Buying Peace

Saikia takes a calculated risk

If evidence was needed that the Government crackdown on militants in Assam had made little impact, and the state was teetering on the brink, it was amply provided by 14 simultaneous post-poll ULFA abductions from six different parts of the state. Clearly a seemingly uncontrollable situation needed innovative remedies.

On July 8, the newly-installed Congress(I) Government of Hiteswar Saikia, following the Union Home Ministry's green signal, took a desperate gamble. It declared a general amnesty for 650 ULFA detenus rather than just the six that ULFA was demanding in exchange for two hostages—Soviet technocrat Sergei Grischenko and ONGC executive B.N. Jaiswal. Saikia released 324 of them on July 9, the militants' deadline. That put the onus on ULFA to release all 14 hostages. But the Soviet engineer's killing, reportedly while escaping and disclosed by ULFA several days later, could jeopardise the entire deal. While there was no immediate change in the amnesty policy, Saikia stated: "The killing is regrettable and a breach of trust by ULFA."

SAIBAL DAS

With ULFA's power undiminished and sympathy growing, Saikia was forced to choose the soft option.

Saikia and (top) ULFA captive reveals hideouts

For known ULFA-baiter Saikia, the amnesty decision must have been particularly galling. His second day in office saw Assam rocked by widespread ULFA terrorism which had already killed his brother and nephew. It underlined the outlawed group's intact striking power. The Saikia Government was completely paralysed, unable to decide on a hardline position or capitulation. For days it failed to establish any contact with the militants for a negotiated settlement. It was made aware of the ULFA demand only through the media.

Clearly, the three month lull preceding the elections was deceptive. The belief that Operation Bajrang had incapacitated ULFA proved to be a myth. It utilised the breather from the military offensive to recoup. Its eagerness to get its six hardcore members released corroborated intelligence reports that it had re-armed and was assembling for a fresh September offensive in the forests of Kachin in Myanmar.

While that should have set off alarm bells, the problem was that even if the Saikia Government wanted to put down ULFA, it found itself handicapped. Many top bureaucrats, sympathetic to the

ULFA cause, were for giving in to its demands. They also opposed tooth and nail the actions of DGP Prakash Singh who persisted in raiding suspected ULFA hideouts including the 100 in Guwahati alone. In any case, the police drew a blank. Obviously, the militants had kept the hostages scattered.

That ULFA had infiltrated the state machinery was clear from the effortless escape of six of its comrades from the Dibrugarh and Tezpur jails last fortnight. The jail staff had reportedly treated the A grade captives with a farewell dinner and arranged for hacksaws and rope-ladders to facilitate their flight to freedom.

A large section of the populace too has been soft towards ULFA. The disappearance without trace of Grischenko is a case in point. As DGP Singh said: "The fair-skinned and big-bodied Russian stood out. Many must have seen him being whisked away." The police were hamstrung by lack of information.

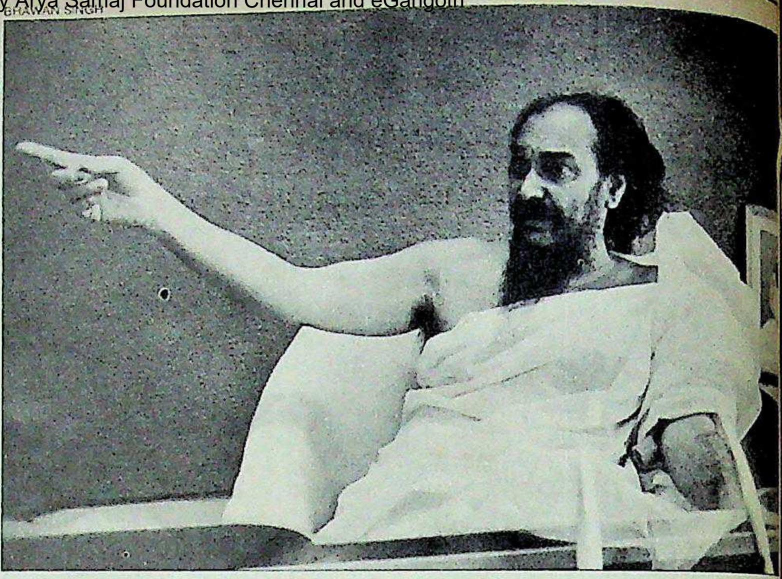
By his unilateral amnesty move, Saikia tried to seize the initiative because ULFA was interested in a piecemeal arrangement—swapping two or three hostages with many times the number of its men in custody. ULFA was clearly buying time, for once the rivers get flooded, large areas in the state will become inaccessible and its cadres will be beyond the reach of the police.

Getting its men released was not the only ULFA motive. Grischenko, the Soviet engineer working with Coal India, was abducted to attract international attention. S.K. Tewari, secretary-cum-commissioner in the general administration department, and eight officials of the ONGC were kidnapped to turn the screws on both the state and the Central governments. Besides, by the timing of the kidnappings, ULFA had clearly signalled its disapproval of the new Congress(I) Government in the state. ULFA has always hated the Congress(I), which for it represents Indian "colonial rule". It has killed as many as 25 Congressmen since March this year.

Yet, Saikia did not want to be vindictive. The Congress(I) regime at the Centre too had advised Saikia against taking the hard option. "Police or military action cannot solve the problem on a permanent basis," he said. He was open to holding talks with ULFA about "economic and ethnic problems" but not secession, which was not negotiable.

By declaring an amnesty the Government had put the ball in ULFA's court. But the killing of the Russian engineer may lead to second thoughts.

—RUBEN BANERJEE in Guwahati


BHAWAN SINGH

Brahmachari: dramatic decline

DHIRENDRA BRAHMACHARI

Tables Turned

Yogi in the dock again

HE wears controversy as casually as his trade mark sarong. But last fortnight, as Swami Dhirendra Brahmachari returned once again into the eye of the storm, the smile was a little forced, the confidence missing and the bravado came with a discernible effort.

It may very well have something to do with the timing. Barely days after the P.V. Narasimha Rao Government assumed power, customs sleuths conducted large-scale raids on several establishments that are run by the worldly yogi. It must have come as a nasty shock for Brahmachari to discover his backers—the Congress(I) old guard—pouncing upon him the moment they were voted back to power. His explanation is that the raids were inspired by his arch-rival, the equally controversial Chandra Swami. As he told INDIA TODAY: "This was only to preempt me from returning to power now that my old friends are back at the helm of affairs."

In all, five centres were raided—the Teachers Training Centre at Katra, Aparna Ashram at Mantalai, the Shiva Gun Factory at Mantalai (all located in Jammu), the Aparna Ashram and the Central Research Institute for Yoga in New Delhi. The haul included some curious items—sophisticated telephone equipment, path finders used for the study of the human brain, cameras, ECG machines and hormone testers.

Clearly, what officials were in search of was the file containing the evidence of grants for customs duty exemption by the ministries of industry, health and finance. Instead, what the raid yielded was several documents revealing that in 1982 and 1983 Brahmachari placed orders with some American companies for highly sophisticated and expensive broadcast equipment. Significantly, the wanted file was missing. This included tape recorders with as many as 16 channels, a 28-track head assembly, amplifiers worth $1,62,643, and some powerful zoom cameras. He claims, curiously, that the equipment was to be utilised for the purpose of yoga research.

Chandra Swami's associates immediately rebutted accusations that he was responsible for prompting the raids on Brahmachari. Sources close to Chandra Swami point out that he is on such friendly terms with the present prime minister that there is absolutely no need for him to squander his time on Brahmachari, who is now no longer a power-broker of any consequence.

There may be an element of truth in that statement. The last few years have witnessed a waning of Brahmachari's earlier omnipotence and power. Last week, he was desperately seeking an appointment with Sonia Gandhi in an attempt to re-establish his credentials. Moreover, he has dropped innumerable hints that he has enough dirt on some of the prominent politicians in the Congress(I) to be able to create quite a stir if the pressure on him does not cease. It would appear that the swami saga is far from being a closed chapter.

—ANIRUDHYA MITRA

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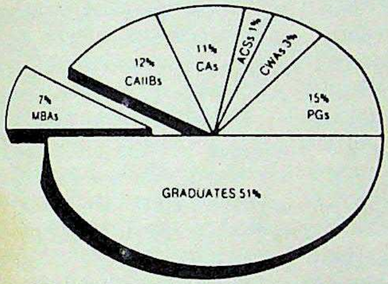

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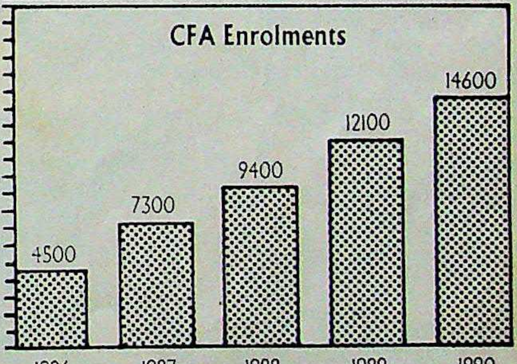

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UTTAR PRADESH

Riding a Tiger

Kalyan Singh treads cautiously, avoiding trouble

IN the tinder-box that is now Uttar Pradesh, all eyes are on Kalyan Singh. And going by his policy of controlled aggression, the BJP chief minister seems to be aware of this. None of the overly gung-ho actions expected from the party have been forthcoming. The Hindutva rath has been in neutral gear.

Consider this. He predictably went to Ayodhya, along with his team of 17 ministers, fellow MLAs and party MPs, reiterating there: "The new temple will be constructed at the very same site." But his response to setting up a judicial commission to probe the Ayodhya killings in October last year has been conspicuously tardy.

Yet he has kept two of the promises made during his controversial Ayodhya visit on June 25. The security bottlenecks for the pilgrims were eased on July 2, and the canopy at the foundation site of the proposed temple, removed by the Mulayam Singh Yadav government, was restored the following day. What is telling is that the chief minister chose not to announce either of these "achievements" at his first formal news conference the same day.

Nevertheless, the Babri Masjid Action Committee (BMAC) is alarmed. Says BMAC Convener Zafaryab Jilani: "All the apprehensions are going to come true about them. How can they restore the canopy when the issue is pending in the court?" Such moves, he says, are certain to generate fear among the Muslims.

The Muslim apprehensions may be justified. The lynching of two Muslim youths in Bulandshahr and the violence in Sitapur are grim reminders of the tense communal situation. Moreover, there have been 13 murders in Lucknow alone over the past fortnight. According to Union Deputy Minister for Home Ramlal Rahi, who is from Sitapur, BJP legislator Narendra Singh Verma's brother was involved in setting ablaze around 30 Muslim huts and shops in Bakahuan village. Rahi calls it a "serious case" but is satisfied with the promptness of the official action.

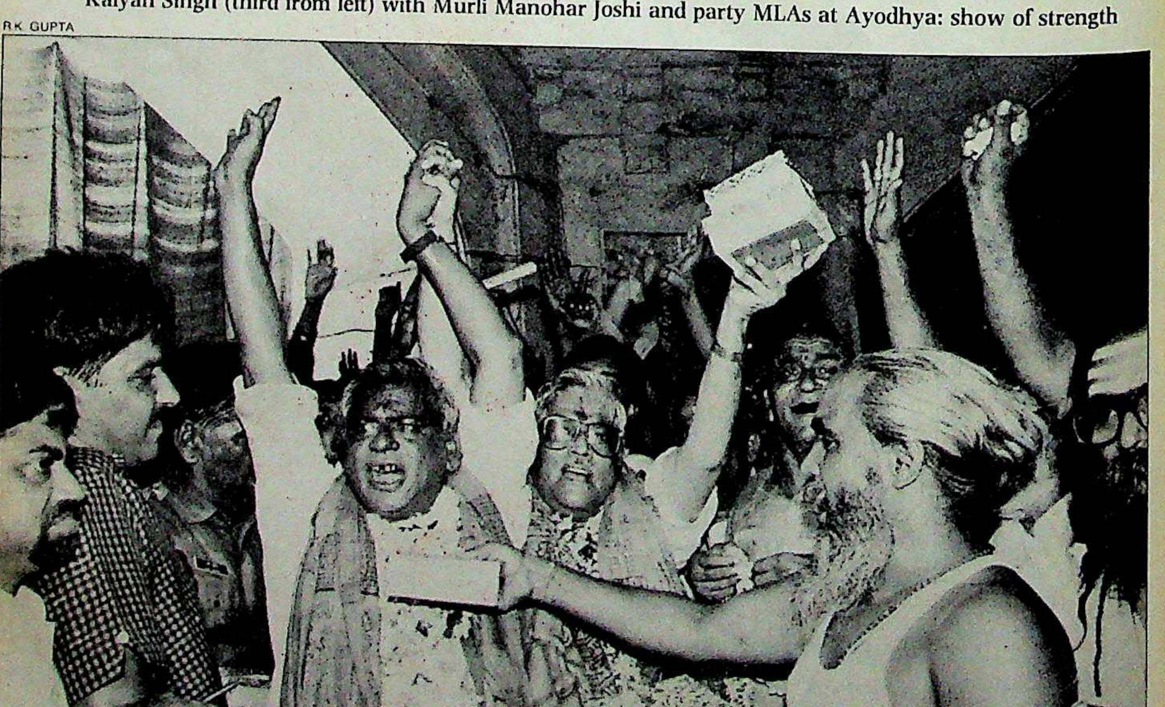
The chief minister probably wants to be ready if things get worse. He has transferred 77 IPS officers, with 31 of the 63 districts acquiring new police top brass. 56 IAS officers have also been shifted, including 32 district magistrates. Those who were sidelined by Yadav, including Etawah SP Brij Lal, are back in action.

What's more, communally nervous districts like Meerut, Kanpur, Bulandshahr, Ghaziabad, Aligarh, Muzaffarnagar, Agra, Allahabad and Varanasi have got new police chiefs, known for their efficiency. Kalyan Singh can say with justifiable pride: "Not even in one case have I acted vindictively because, after all, the officials cannot be blamed for what the political leadership has done to Uttar Pradesh." And above all, he asserts: "I want a riot-free state."

With Yadav having detained him for over a month under NSA for kar seva, no one would be surprised were he to launch a vendetta. But Kalyan Singh, alert to the avalanche of criticism his every irregular act will fetch, does not believe in rushing his moment. In allocating portfolios to his 17 ministers, he took three days. His first cabinet meeting was held as late as July 2.

Kalyan Singh (third from left) with Murli Manohar Joshi and party MLAs at Ayodhya: show of strength

R.K. GUPTA



And even the measures that came out of it were merely populist: relaxation of a government ban on extension and re-appointment of freedom fighters, additional DA for 15 lakh state employees and formation of a panel to examine a 10-per cent cut in the state's non-plan expenditure. So far, Yadav can have cause to protest only one decision—removal of all the former chief minister's political nominees, including corporation chairmen.

But what everybody is curious about is how Kalyan Singh will handle the increasing activity of both the top BJP and VHP leaders. Some of it has been unwelcome, with senior BJP leader Atal Behari Vajpayee panning the chief minister's visit to Ayodhya, calling it an unnecessary drama.

Kalyan Singh's other meetings have been more fruitful. The first fortnight in power saw him holding four meetings with BJP President Murli Manohar Joshi and one with a VHP delegation headed by Ashok Singhal. What matters were discussed behind closed doors are not known but it would seem that the Ram Janmabhoomi issue was on top of the agenda. Kalyan Singh has announced that talks will be opened again. But the Muslim leaders are not particularly enthused by this. For them the BJP has foreclosed the issue. Says Jilani: "When they refuse to acknowledge the judicial course and are determined to construct a temple at the disputed site, what is the sense in holding any talks?" Janata Dal General Secretary D.P. Bora echoes his view: "They have to first tell everybody that they are ready to reconsider their stand on the issue. Only then will any talks become relevant."

Controlling the youthful saffron strongmen, much in evidence during the BJP's aggressive election campaign, will also give Kalyan Singh sleepless nights. Having outlived their electoral utility, it will be difficult to absorb them into the present establishment. The Bulandshahr and Sitapur incidents illustrate this potential explosive force in full measure. Being leaderless and rudderless only adds to the menace they pose to the fragile peace in the state. Even the VHP and Bajrang Dal cannot claim to have full control over them.

Add to this political rivalries—as in the murder of a *pujari* inside a temple in Lucknow for which a Shiv Sena MLA, among others, was arrested—and you have a conflagration just waiting to spark off. Clearly, Kalyan Singh will have to negotiate a political and communal minefield in the weeks ahead.

—DILIP AWASTHI

HARYANA

In Top Gear

Bhajan Lal moves swiftly

HARYANA Chief Minister Bhajan Lal is a man in a hurry. He gives himself three months to make a difference to the state. It won't be easy. Not only is the state economy in a quagmire, but HPCC(I) chief and Revenue Minister Birendra Singh is still smarting from being pipped at the post.

Bolstered by a clear majority in his third tenure, Bhajan Lal has set himself a frenetic pace. He has reshuffled the bureaucracy, scrapped former chief minister Om Prakash Chautala's Disneyland project, and attends over a dozen meetings daily.

The focus is on a kinder, gentler administration. "We are keen to usher in *aman* and *shanti*," he told INDIA TODAY. "Goons go to a shop, buy stuff and tell the shopkeeper to put it on Tau's account. All these elements will be set right." Development, and surprisingly for one who has not distinguished himself in this field, curbing corruption are priorities. As he says: "My predecessor was only interested in the development of his own family."

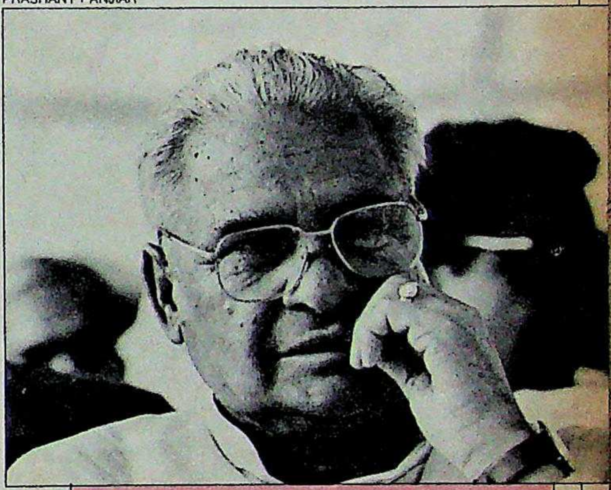
And there is a time limit on fulfilling all election promises. These include waiving of interest, accumulated over seven years, on cooperative loans, and reducing the age limit for pension.

Perhaps he is aware of Devi Lal and Bansi Lal waiting for a misstep that could alienate the crucial rural lobby. But he has armed himself well. Twenty-six senior IAS and IPS officers have been transferred, with his former principal secretary B.S. Ojha being made chief secretary and Kalyan Rudra back from the Intelligence Bureau as director-general of police. Thirteen deputy commissioners and 11 of the 16 district police chiefs have also been shifted.

The reaction has been sharp and immediate: that he has sidelined Jat officers. As a rebuttal, he points out that many deputy commissioners had been functioning as Chautala's "property dealers". It is a fact, however, that most members of his new team at the secretariat are non-Jat.

But will he use the long arm of the law to inquire into the misadventures of the Tau's clan? Bhajan Lal is moving slowly and circumspectly on this issue. He has said he will have the panchayat land scandal—where land was allegedly grabbed by Chautala's men through *benami* transactions—probed by the Vigilance Department but will not be vindictive. He has also said the Gurnam Singh Commission report on OBCs will be reviewed to take account of the "economically poor". But he does not want to "open a Pandora's box".

PRASHANT PANJIAR



Bhajan Lal: seizing his chance

"We are keen to usher in peace. My predecessor was only interested in promoting his own family."

What counts when all is said and done is Bhajan Lal's ability to acquire financial help from the Centre. He needs it to make up the deficit. As he says: "I feel like crying when I recall what I left five years ago....In my tenure, the deficit never crossed Rs 50 crore. Now in an annual plan of Rs 770 crore, there is a deficit of Rs 200 crore." The other choice—higher taxes—is hardly designed to increase his popularity.

Already there is much fretting over power problems following disturbances in the northern grid. Bhajan Lal will need all his wits to walk the political tightrope in his state.

—KANWAR SANDHU

GUJARAT

Son Sorrow

Solanki in a tight spot

IT was a shrewd move on the part of the BJP to whip up public sentiment in Bhadran town in Kheda district, and force the state Government to arrest Bharat Solanki, son of Union External Affairs Minister Madhavsinh Solanki, on the charge of masterminding a riot there on June 14, one day before the polling. There was a shoot-out, and the BJP held Bharat responsible for the firing, in which one of its party workers was injured.

It was calculated not only to embarrass Solanki but also to drive a wedge between Chief Minister Chimanbhai Patel and the Congress(I) leader, who have been traditional rivals in the state's politics.

Solanki was never enthusiastic about his party's tie-up with Patel's Janata Dal(G). After the poor showing in the elections by the alliance, Solanki wanted Congress(I) support to the Janata Dal(G) Government withdrawn. The BJP wanted to derive maximum mileage from the friction between the two parties.

Which it almost succeeded in doing with *la affaire* Bharat. Minister of State for Home Prabodhkant Pandya, also a confidant of Patel, ended up in knots when he first claimed that the state Government had ordered Bharat's arrest. It was seen as a pressure tactic to retain Congress(I) support that seemed to be slipping away in the post-election period. He however retracted when accused by the Congress(I) of playing into the hands of the BJP, and confessed that the Government did not order the arrest of Solanki's son.

Meanwhile Bharat, a civil engineer-turned-industrialist says: "It was a well-planned conspiracy to defame my father." While he denies that there was any shooting at all, the BJP claims that the Congress(I) workers carried sten guns. The Congress(I) views the BJP charge as an attempt to vilify Solanki because the BJP realised that it would not win the Anand seat being contested by Solanki's father-in-law, Ishwarbhai Chavda. Bharat was canvassing for his maternal grandfather.

The BJP went about focusing on the incident with single-minded devotion. First it sent a fact-finding team to Bhadran, and then organised hunger strikes by party workers. Said Nalin Bhatt, a top party leader: "The guilty can't be allowed to go scot-free just because they are mighty."

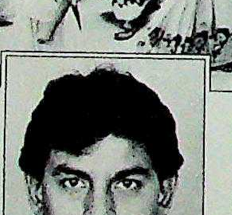
Soon a local organisation, the Lok Sangharsh Samiti, took over the protest movement. The town observed bandhs for nearly 10 days.

The local police feigned ignorance while Bhadran was rocked by the protests. Bharat retreated to Delhi and the protective wings of his minister-father. The movement ended only when Bharat and his two companions surrendered to the police.

But more than Bharat, the man caught in the cross-fire seems to be none other than Solanki, who has a tough task getting out of the imbroglio. Quite an undiplomatic beginning for the new external affairs minister.

—UDAY MAHURKAR

AARTI STUDIO



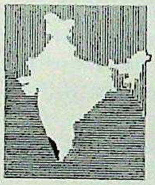
Protest in Bhadran; (inset) Bharat: drawing flak

Karunakaran with Antony

KERALA

Shaky Start

Partner problems for UDF



AFTER sweeping the assembly elections, it should have been an easy ride for the Congress(I)-led United Democratic Front (UDF). But Kerala Chief Minister K. Karunakaran still sits uneasily in the saddle. And it shows. The toothy smile remains but the lines of worry have deepened. The 71-year-old Karunakaran is bedevilled, not just by coalition partners but also by arch rival, KPCC(I) chief A.K. Antony.

The result: the swearing-in had to be delayed because the Cabinet could not be finalised. The Antony faction of the state Congress(I) was understandably upset. It managed just four berths in the 19-member Cabinet. Worse, former Speaker and Antony's choice, V.M. Sudheeran, did not figure in the list of ministers. The chief minister, however, had no compunction in inducting T.M. Jacob and Balakrishna Pillai, men who are facing countless corruption charges.

Karunakaran also had to appease partners like the Indian Union Muslim League (IUML) and the Kerala Congress(M). Chairman of church-controlled Kerala Congress(M) K.M. Mani bagged the revenue portfolio while the IUML got four powerful ministries. Former chief minister E.K. Nayanar has a point when he says Karunakaran's future rests on how well he can handle the coalition partners.

Besides, the state of the economy is woeful and Karunakaran's promises fantastic. Clearly, his problems may have only just begun.

—RAMESH MENON

BIHAR

In The Red

Paying the price for populism

NO one can accuse Bihar Chief Minister Laloo Prasad Yadav of behaving like an ostrich. Till now, that is. With bankruptcy staring the state in the face, Yadav has chosen to adopt the pose made famous by that much-maligned bird. With the state Government unable to pay the salaries of its one million employees (having spent more than 10 times its overdraft limit of Rs 52 crore with the Reserve Bank of India), Yadav responded by denying that Bihar even had an overdraft with the RBI and instead blamed the Centre for the state's economic paralysis.

For Yadav, the situation is a rude lesson in the price to be paid for populism. When the state turned to the RBI for help, it was curtly told to tighten its belt. Bihar's own resources had reached rock bottom. A Supreme Court decision last year banning the state Government from realising the cess on royalties from minerals virtually wiped out what few reserves the state treasury had.

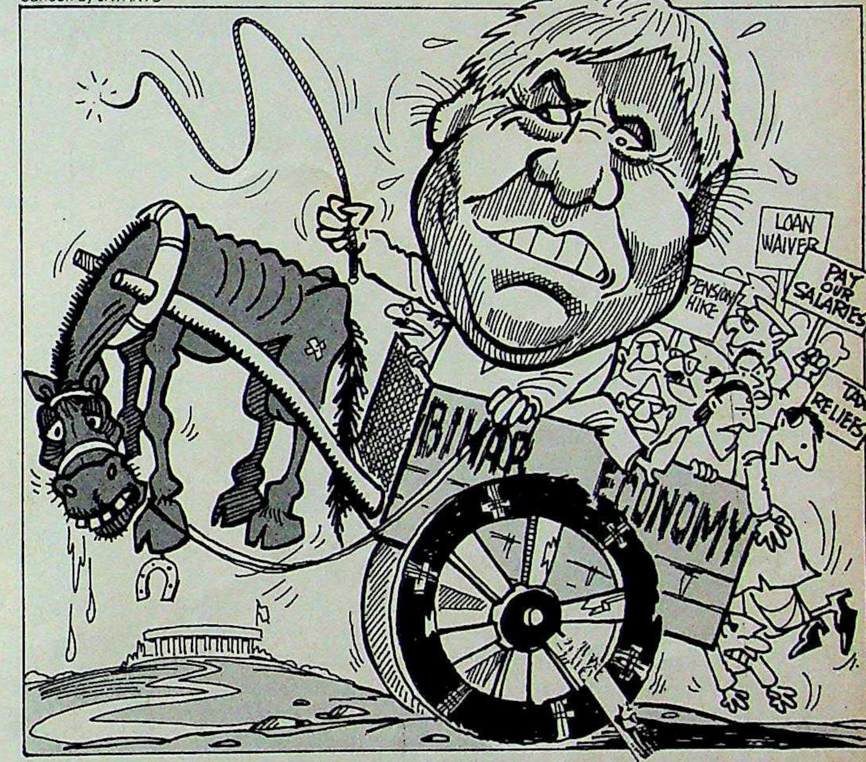
If the state is suffering a financial haemorrhage, Yadav need look no further than himself for the cause. Last October he expanded his cabinet to a leviathan 72-strong team, giving the state exchequer an extra bill of Rs 5 crore a month. MLAs had their allowances and perks increased. And as part of his programme of "social justice and welfare", Yadav raised the old age pension from Rs 30 a month to Rs 100 and issued an agriculture loan waiver. These measures added Rs 530 crore to the budget. That was not all. He withdrew excise on toddy, freed fishing ponds for the poor and waived all taxes on tendu leaves. These measures won him popularity amongst the poor but impoverished the state.

Now a feeling of panic is in the air. Even Yadav's own ministers have started talking about the need for cutting non-Plan expenditure. At a Janata Dal Legislature Party meeting last fortnight, Minister for Raj Bhasha Vijay Krishna suggested that all ministers should resign voluntarily and give a free hand to Yadav to form a small cabinet. He earned a warm round of applause but, as expected, none of the ministers present actually volunteered to resign. Yadav later decided to retain his out-sized cabinet.

If ministers were panicking, state employees were frantically struggling to get by with half their salaries or, in some cases, none at all. Others had to manage with their salaries minus allowances. Universities were starved of funds and classes were cancelled.

Finally, there was such a hullabaloo over the denial of allowances to employees that the Government released Rs 11 crore for the payment of DA to employees with their June salaries. According to Finance Commissioner C.R. Venkatraman, arrears of DA for the previous five months would be paid in instalments, depending on the funds available to the state. As for the June salaries, the Government eventually paid them by grounding all development activities.

Cartoon by JAYANTO



While the threat of Government employees striking looms large as salaries can't be paid, Yadav is pretending the crisis doesn't exist.

The administration is belatedly trying to raise cash to salvage the situation through a 60-point plan which includes the auctioning and leasing of government land. It hopes to increase its revenue through rationalising excise and vehicle taxes, imposing employment cess, increasing the licence fee and restructuring sundry other taxes. Its other measures include floating development bonds worth Rs 144 crore and a plan to privatise industrial units, the power sector, sugar mills and public transport.

Yadav has fallen back on the politician's age-old ploy of blaming his predecessors for the state's current troubles. The remainder of his defence rests on the fact that the second half of the last financial year was consumed by the Mandal and mandir controversies.

Yadav believes that a halt to all development projects and the tax measures he has taken will raise enough money to tide the Government over and put its finances back on the rails. But it will take some time for the money to filter through to the exchequer. In the meantime, July salaries are looming. The money just isn't there to pay them. State employees are likely to strike if the Government defaults a second time. The only man who seems deaf to the warning bells is Yadav. And he could wind up paying the highest price.

—FARZAND AHMED

MADHYA PRADESH

Cadres' Ire

Party workers target Patwa

THE denouement was overdue. The BJP's electoral debacle in Madhya Pradesh clearly indicated that Sunderlal Patwa would have to play whipping boy. But even Patwa must have been surprised at the intensity with which legislators and party workers hit out at him and state party chief Lakhiram Agarwal at last fortnight's meeting of the Madhya Pradesh unit of the BJP.

Here are some samples. Uma Bharati, the high-profile MP from Khajuraho: "If I won, it was certainly not because of the state Government's performance." Party Vice-President Sikandar Bakht: "You (Patwa) don't know the art of governance." Khandwa district BJP General Secretary Surendra Agrawal: "They must quit."

कार्य समिति बैठक
भोपाल म.प्र.
विश्वकर्मा

R.C. SAHU

BJP meet in Bhopal: open rebellion

However, the intensity of the dissidence appears to be in direct proportion to the heavy handedness with which the high command has sought to curb it. As one disgruntled MLA remarked: "The leadership was not even prepared to listen to our complaints." Instead of listening to their grievances, the high command tried to squash prominent dissenters such as Dilip Singh Judeo, Uma Bharati and V.K. Saklecha.

One of the reasons for the post-election revolt is that rather than accepting responsibility for the party's

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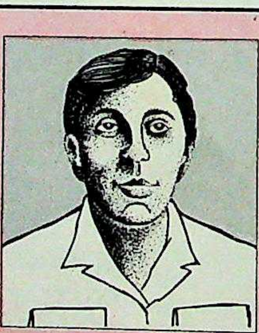
CBI

Sleuth Slips



Sharma tried to plead innocence the next day but found his boss sitting on a water-tight case.

THE celebrated sleuth and DIG of the CBI, O.P. Sharma, became the first senior bureaucrat to be suspended on corruption charges on June 24 by the new Government. The suspension order for such a high-ranking officer was endorsed by Prime Minister P.V. Narasimha Rao himself.

Sharma was caught red-handed by his own bureau while accepting a bribe of Rs 10 lakh from S.K. Jain, a money launderer, in his New Delhi home on June 18. The DIG had promised to release over Rs 6 crore, which had been seized by the CBI from various *havala* dealers, including Jain, known to have links with the JKLF. Sharma had struck a deal for Rs 50 lakh, of which he had already received Rs 36 lakh, as was revealed in the FIR.

Sharma, when contacted by INDIA TODAY at a nursing home in Delhi, where he was admitted for high blood pressure and depression, refused to "speak till the inquiry was over".

But a day after the raid, he approached his director, Vijay Karan. Sharma, due for promotion as IG, found his boss sitting on a water-tight case. In fact, the case was underway since early May when an under-trial, M.L. Kaul, confessed to be a conduit for Sharma.

This was shocking, as it implicated an awardee of the President's Police Medal for 1990, and one who had worked on sensational cases like the Syed Modi murder and the kidnapping of Mufti Mohammed Sayeed's daughter, Rubaiya. The CBI put Sharma under surveillance and found that the money seized from the dealers had not been accounted for.

Instead of seeking Sharma's explanation, the CBI tapped his phone. It confirmed Kaul's allegation. A trap was laid for June 18 when Kaul was to deliver the next instalment of the bribe. Kaul was escorted to Sharma's house by a CBI team led by SP Satyapal Singh.

As Kaul, after delivering the briefcase containing Rs 10 lakh, raised an alarm for the CBI men waiting outside, Sharma ran to the balcony and tried to throw the briefcase out. He should have known that the bag and the currency notes in it were coated with a special powder for recording his fingerprints.

In despair, Sharma brought out his service pistol and threatened to shoot saying there were some JKLF militants among the CBI officials. He probably meant Jain who had gone as a witness. But the ploy failed. The raiding party broke into the house and asked him to put his hand in a bowl of water. Reacting chemically to the water, the powder coating his hand turned red, leaving no doubt about his guilt. And Sharma was literally caught red-handed. He will be charge-sheeted after further investigation. Whatever the verdict, it seems like the end of a bright career. —ANIRUDHYA MITRA disastrous performance, the leadership has been trying to find refuge in excuses and pathetic justifications. Said Patwa: "Although we lost the election, our popularity has increased, as is evident from our share of votes." The claim provoked derision from the dissidents. Anand Shrivastava, an ex-MLA, retorted: "It is like a doctor saying that although the patient could not be saved, his blood pressure had been brought under control."

Although the attacks on Patwa and Agarwal had started soon after the poll results became known, the first concerted action by the dissidents came at the state legislature party meeting last fortnight. The MLAs cited Patwa's inability to handle the administration as one of the reasons for the rout and demanded changes in the leadership. Similar demands cropped up at a meeting of the party's state executive when a post-mortem was held on the party's performance. Tempers ran high and for one ugly moment, members almost came to blows.

The calls for Patwa's head could be heard loud and clear. Keshav Dave, organising secretary of the Bilaspur unit, echoed popular sentiment when he said the party had been completely wiped out in the Chattisgarh region because of administrative corruption, the dominance of the Government by the bureaucracy and disregard for party workers.

Although both Patwa and Agarwal offered their resignations to the party high command once the results had come in, the leadership refused to accept them. If anything, it has gone out of its way to protect the two men. Patwa, for example, continues to enjoy the unqualified support of Kushabhau Thakre, the general secretary in charge of the state.

The BJP leadership is in a quandary. It realises that one of the main reasons for the party's poor performance—as compared with Rajasthan or Himachal Pradesh—was Patwa's misrule, his failure to deliver the goods, his talent for making enemies and his arrogance. But replacing him at this juncture would provide a golden opportunity to the Opposition which has been demanding the Government's dismissal on the grounds that it has forfeited the people's confidence. The Congress(I) has launched a public agitation to press its demand for Patwa's removal.

So, no matter how justified the dissidents' complaints may be, the party leadership clearly has no intention of changing horses midstream. At least not for the moment.

—N.K.SINGH

RAJASTHAN

Testing Time

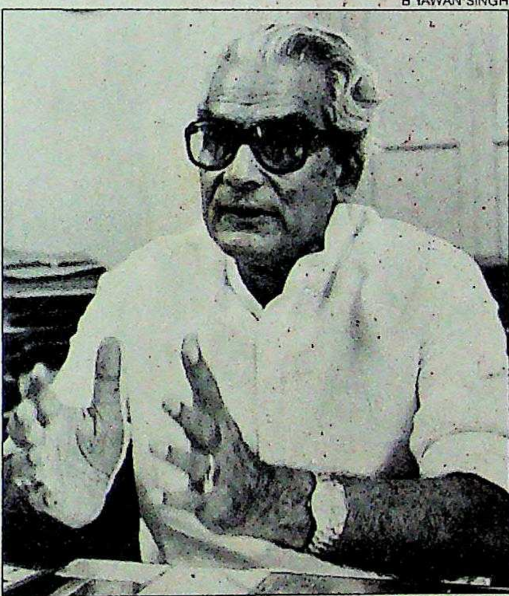
Shekhawat's skills stretched

CRUSTY veteran Bhairon Singh Shekhawat will need all his survival skills in the days ahead. Ever since the Janata Dal pulled out of his coalition in Rajasthan last November, the BJP Government has been living dangerously.

Left with just 85 members in a House of 200, the BJP was able to prolong its tenure solely because Shekhawat won the backing of 26 members of the Janata Dal, led by Digvijay Singh, on November 16. But the surprise showing by the Congress(I) in the Lok Sabha elections has made his perch precarious.

Shekhawat: uncertain future

BHAWAN SINGH



Shekhawat's fate lies in the hands of the Janata Dal(D)—a party which is unsure of its own moorings and is exploring its options.

Fortified by its success, the Congress(I) has been demanding the chief minister's immediate resignation. Worse, the Janata Dal(Digvijay), as the breakaway group calls itself, is getting very restive and is on the lookout for a realignment of forces.

But Shekhawat is prepared to bluff this out. The Congress(I) demand has been dismissed, with contempt. Says Shekhawat: "If elections are held we shall secure an absolute majority."

The BJP leaders point out that with 12 seats of its own in the bag, the Congress(I) tally of 13, out of 25 Lok Sabha seats, is not too much to crow about. What bolsters their claim are the figures—in the pre-Rajiv Gandhi assassination election phase, the BJP won 10 out of 15 seats.

The real trouble Shekhawat faces is from the Janata Dal(D). Last time Shekhawat managed to win them over by giving away 16 ministerial slots. But that's not likely to keep them quiet for long. In fact, in the Lok Sabha elections, nine of these MLAs, of whom three are part of Shekhawat's Cabinet, did their best to upset the BJP-Janata Dal(D) applecart.

So Shekhawat's fate is now in the hands of the Janata Dal(D)—a party which is not too sure of its own moorings. It is exploring its options. If it does stay on in the Government, it will definitely extract a price—possibly more ministerial berths. It can join the Congress(I) in pulling the rug from under Shekhawat's feet, but it is not too sure whether that will benefit the party.

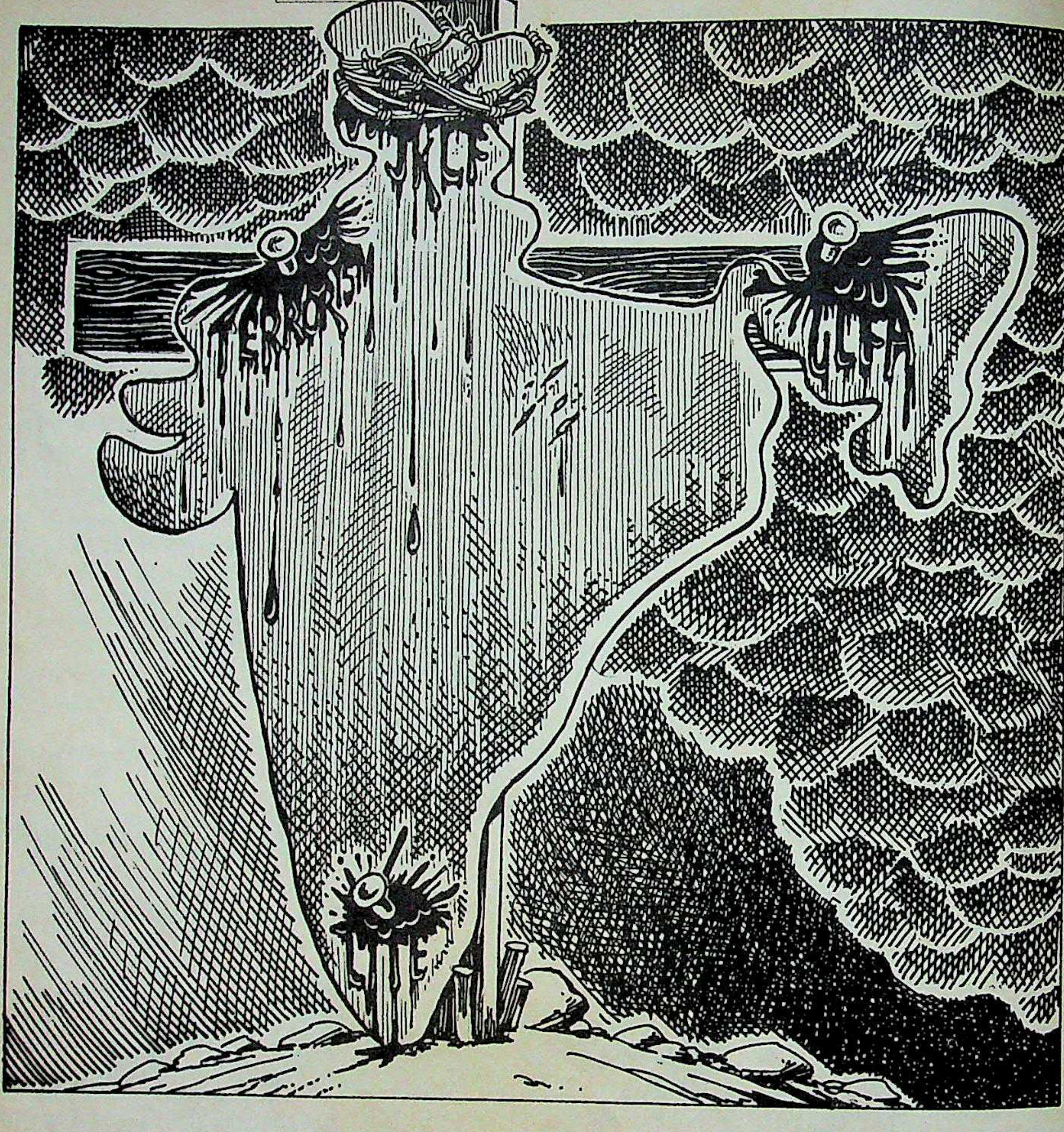
The Janata Dal(D) is equally wary of returning to its parental fold, what with the state Janata Dal having suffered its fourth split in eight months. The electoral drubbing that the Janata Dal got, shorn of its star Nathu Ram Mirdha, is not very encouraging either—it lost all the 22 seats it contested, with its share of the popular votes going down to 5.75 per cent from a once-healthy 26 per cent in the 1989 elections.

Perhaps Shekhawat has sensed this hesitation. He has managed to persuade some Janata Dal(D) fence-sitters to stay with him. It hasn't been too difficult in some cases—Krishnendra Kaur 'Deepa' contested and won the recent elections on a BJP ticket although she is a Janata Dal(D) member.

The Janata Dal(D) will probably bide its time for now. Whether Shekhawat will get enough leeway to actually govern the state is another question.

—N.K. SINGH in Jaipur

AJIT NINAN



SIGN POSTS

RUMOURED: That Rs 500 notes would be taken out of circulation. The government has denied the reports about demonetisation.

◆

LAUNCHED: Successfully for the fourth time, **Prithvi**, the indigenously developed surface-to-surface missile at Andhra Pradesh's Sriharikota range.

ARRESTED: A young woman **Prema**, posing as the late MGR's daughter. Leading a jet-set life for over a month, she ran up hotel bills for Rs 1 lakh, bought jewellery for Rs 6 lakh and saris worth Rs 80,000. Madras Police say the poseuse flew in and out of the city using a stolen credit card.

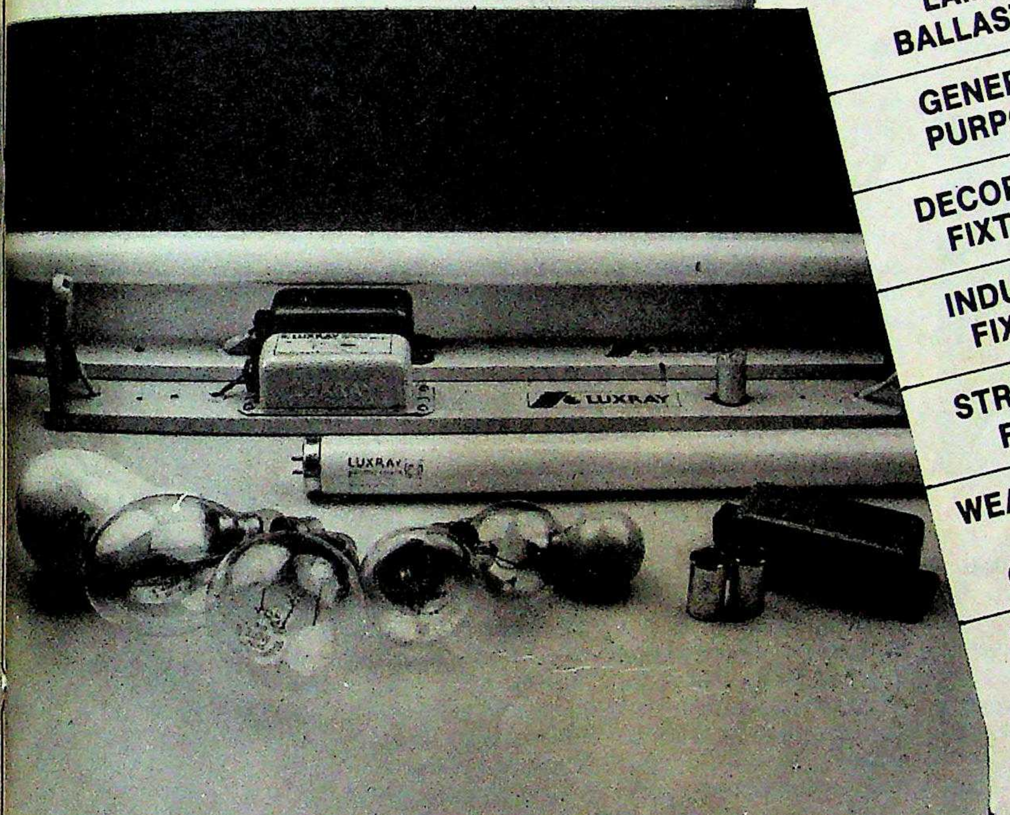
◆

URGED: The Indian cricket team, to invite their South African counterpart to tour India, by the African National Congress leader **Nelson Mandela**. Following an international boycott, South Africa has repealed the apartheid law, and white and black sports bodies have merged.

AWARDED: The Indira Gandhi Prize for Peace, Disarmament and Development to **Dr Sam Nujoma** of Namibia. The award was given to him for his courageous and inspiring leadership of the people of Namibia in their struggle for freedom and equality.

◆

WITHDRAWN: By the Pakistan Government, transit facilities for Indians, at their airports. The authorities said Indians "engaged in nefarious activities" during their 24-hour transit halt.



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CHOKES
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STARTERS
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GENERAL PURPOSE
DECORATIVE FIXTURES
INDUSTRIAL FIXTURES
STREET LIGHT FIXTURES
WEATHER PROOF CONTROL GEAR BOXES
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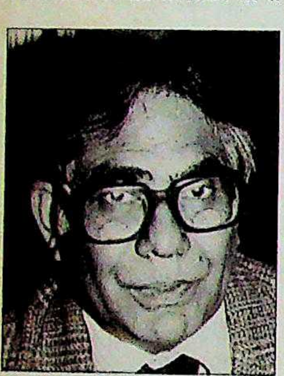
PUNJAB

Playing Truant

● Professor R.P. Bambah, vice-chancellor of Panjab University, has been playing truant for some time now. The world-renowned mathematician has hardly been seen at his Chandigarh office. First, it was a series of conferences all over India that had kept him busy, and then he took off on a 10-week leave to visit the US.

However, the cause of speculation now is the professor's decision to quit his job, more so since he had just received a three-year extension this January in gross violation of all norms. In a letter to the Vice-President Shankar Dayal Sharma, who is also chancellor of the university, Bambah has requested him to accept his resignation. The ostensible reason: to go back to "active teaching". However, it's well known that Bambah has been under threat from the militants who are strongly opposed to the extension of his tenure.



Bambah: quiet surrender

Bambah's departure has added to the problems of the already beleaguered university. And the four-member committee set up to oversee its functioning in his absence has not improved the dismal state of affairs either. With the uncertainty of elections in the state leading to the complete disruption of the examination schedule, the university's list of woes seems to be quite endless.

ANDHRA PRADESH

Master Manipulator

Bhaskara Rao (left) on his 57th birthday: old games.

● N. Bhaskara Rao was a master of the game. But at his 57th birthday celebrations on July 1, the master manipulator outdid himself. Rao created a sensation by inviting a number of Chief Minister N. Janardhan Reddy's detractors to dinner, including former chief minister M. Chenna Reddy. The lawyer-turned-politician is, however, not revealing all his cards for now. "Draw your own conclusions," is his cryptic response to queries about his selective guest list. For Janardhan Reddy though, the signals are clear. Unless he gives ministerial berths to at least a few of the 30-odd MLAs present at the dinner, there is every chance of an open revolt.

GUJARAT

Spirited Protest

● It would be cause for concern anywhere. But when spurious liquor claims 40 lives in the land of the Mahatma, it almost amounts to sacrilege. Last month's tragedy in Ahmedabad brought activists on to the streets in angry numbers, demanding the Government take concrete steps in the matter. Heading the movement is the Self-Employed Women's Association run by well-known social worker, Ela Bhatt. Says she: "Women are the worst victims of liquor. Only social pressure can change things." But, given the bootleggers' clout in Gujarat, few are confident of wiping out the menace.

Ela Bhatt leading the rally: women's wrath

Sanat Javeri & Co.

BIHAR

Finding a Cure

● It took a dose of bitter medicine for Chief Minister Laloo Prasad Yadav to realise the dismal condition of medicare in Bihar. When Yadav's son fell critically ill recently, he rushed to the Patna Medical College Hospital (PMCH). For hours Yadav queued up at the Emergency Ward without disclosing his identity, only to find the physician on duty asleep and life-saving drugs simply unavailable. He finally resorted to a private clinic to save his child's life.

KRISHNA MURARI KISHAN

Yadav with son: no succour

Since then, repeated surprise raids on hospitals and drug stores failed to rectify the situation. Finally last fortnight, Yadav seemed to hit on a prescription for the poor. He inaugurated a special medicare hall for poor children at the PMCH. The 24-hour ward will be maintained by the Chief Minister's Relief Fund and will provide free life-saving drugs to the needy. The scheme will be extended to medical college hospitals and later to district and subdivisional hospitals. "The poor won't die for want of medicare," declared Yadav.

His critics have however called the scheme a "welfare gimmick". But the enthusiastic chief minister isn't letting that dampen his spirits.

UTTAR PRADESH

Petty Politics

● Give Congressmen a bone and they'll fight over it, never mind even if there is no meat on it.

That is exactly the case in Uttar Pradesh where, despite the party's negligible presence in the state Assembly, partymen are fighting tooth and nail over the leadership of the Congress(I) Legislature Party (CLP).

Reduced to a minuscule 46 members in a House of 425 MLAs—down from 94 in 1989—former CLP leader Narayan Datt Tiwari chose to opt out of the race, following his humiliating defeat in the Lok Sabha elections. With his exit, sundry Congressmen began clamouring for the post. Three sub-groups backed the candidatures of Pramod Tiwari, Ranjit Singh Judeo and Gopinath Dixit respectively. And when the high command observers arrived in Lucknow last week to try and sort out the issue, there was every sign of a stiff contest between the MLAs.

It took a full day of intense persuasion by the central leaders to avert a crisis and succeed in getting the wrangling MLAs to "unanimously" elect Pramod Tiwari as the new CLP leader.

At the end of the proceedings, one of the disgruntled losers wisely remarked: "We will never learn a lesson because we are Congressis."

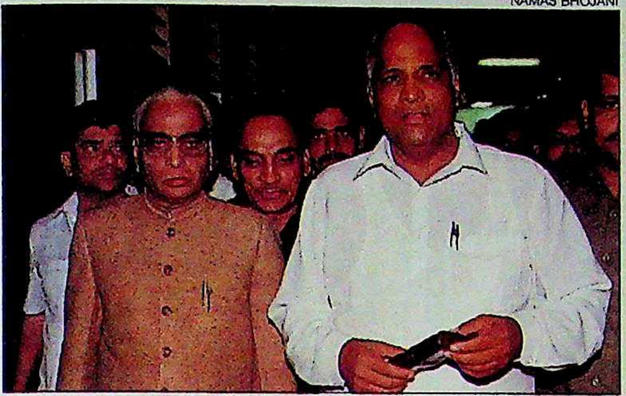
Pramod Tiwari: close fight

R.K. GUPTA

MAHARASHTRA

Rule by Proxy

NAMAS BHOJANI



Naik with Pawar: dominant hold

● When Sharad Pawar moved to greener pastures at the Centre, partymen assumed he had finally loosened his hold on the state. But the Maratha chieftain continues to wield power by proxy—through Chief Minister Sudhakarrao Naik.

Dubbed by the BJP as a Pawar stooge, Naik has not been spared by his rivals in the Congress(I) either. Said a partyman: "He cannot run to Daddy (Pawar) every time he has a stomach ache. New Delhi is too far."

But Mantralaya sources say Naik talks to the defence minister at least five times a day during which Pawar admonishes, praises and offers solutions long distance. And Naik follows his orders to the T.

ASSAM

All in the Stars

● Assam Chief Minister Hiteswar Saikia has firm faith in the stars. Although elected CLP leader on June 22, the swearing-in ceremony was deferred to June 30—the date favoured by the almanac, *Kalpurush*. Saikia's belief in it is reinforced because it predicted the assassination of Rajiv Gandhi and the death of former Union minister Dinesh Goswami.

Saikia has a role model in Governor Loknath Mishra, who is believed to have used his spiritual powers in shaping the Congress(I) victory. But former chief minister P.K. Mahanta attributes the success to rigging rather than to supernatural agents.

Hiteswar Saikia: blind faith

GOPAL MISHRA

TAMIL NADU

Stormy Start

● When pandemonium broke out in the Tamil Nadu Assembly last fortnight, there was a sense of *deja vu* about the entire episode. It all began when Pattali Makkal Katchi (PMK) member, S. Ramachandran, rose to read a text calling for the abolition of the governor's post. And this, just as the governor was being escorted to his chair.

At this point, R. Tamaraikani—an independent member who is, incidentally, trying to re-enter the AIADMK—assaulted the PMK member who, nevertheless, read his speech to the finish then, along with three other members of the Opposition, staged a dramatic exit and followed it up the next day with a protest fast along with PMK founder S. Ramadoss.

PRAMOD PUSHKARNA

Ramachandran: faux pas

If Tamaraikani thought his antics would enable him to worm his way back into the AIADMK, the move backfired completely. Chief Minister Jayalalitha requested the Speaker, Sedapatti Muthiah, to take action against Tamaraikani and Ramachandran, and both were suspended for three days.

This unseemly incident has demolished any hopes of the Government having a smooth term ahead despite the fact that the Opposition is virtually non-existent in the House. From all accounts, the House will witness sessions as stormy as ever.

(From left) Diamond-studded sword and shield; the Maharao; ivory door

KUTCH ROYALTY

Treasure Tussle

The Maharao's sons fight for his Rs 20-crore legacy

WHEN the last Maharao of Kutch, Madansinhji, died in London last fortnight at the age of 81, his body lay there for five days before being ferried to Bhuj. The reason: the squabbling for palaces and vast treasure of the erstwhile state had made even his cremation a bone of contention. His eldest son, Prithvirajsinhji, accused brother Hanuvantsinhji of trying to cremate him in England. But Hanuvant claimed he was carrying out the Maharao's wish.

The ugly episode marred the memory of Madansinhji. A scion of the Jadeja Rajput clan that ruled Kutch, which had a pride of place in the British Raj, Madansinhji was closely connected with Pandit Nehru and Lord Mountbatten. He also served as India's ambassador to Norway and Chile and is fondly remembered for his patriotic gesture of parting with 100 kg of gold during the Indo-China war.

But even while a befitting farewell was being given to him in Bhuj with an army contingent saluting the pyre, the two sparring sons swooped down on the Rs 20-crore inheritance. In his will, the Maharao had favoured the youngest son Hanuvant giving most of the Rs 2.20 crore in cash to him and his two sons. The three also get equal shares in the property alongside Maharani Rajendrakunwarba, Prithviraj and the third son Bhupatsinhji, who isn't in the picture.

Feeling slighted, Prithviraj moved court for the appointment of a receiver to the willed property, the office that Hanuvant, named the executor, wanted for himself. To the ire of both, Maharao's secretary, Narayanji Jadeja, who held the power of attorney, locked away many precious items in the Sharadbaug Palace in Bhuj.

At stake is mainly the Ranjit Vilas Palace which alone is worth Rs 10 crore, jewellery, and gold swords and coins. Maharao, who was one of the top 10 taxpayers in the late '60s, had brought four palaces under trusts.

Hanuvantsinhji and Prithvirajsinhji: feuding brothers

YOGEN KHATRI

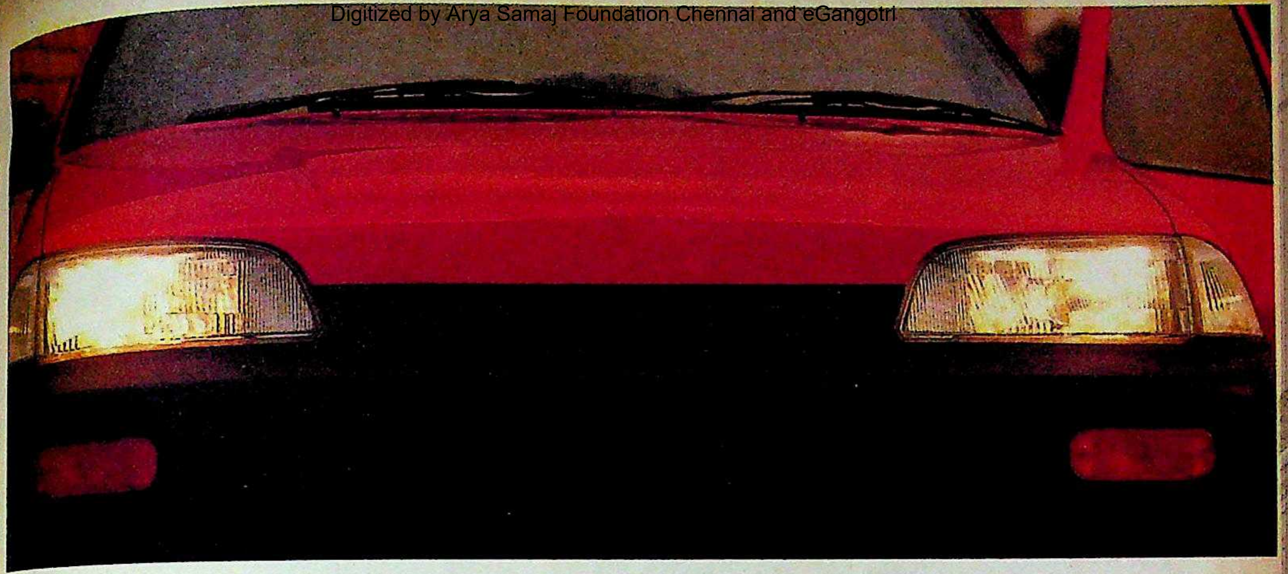
The family feud goes back more than a decade when Madansinhji took a Norwegian mistress. This estranged the Maharani and most family members. Then, the Maharao took away the power of attorney from Prithviraj, who had allegedly transferred the Vijay Vilas Palace to a private company floated by him. "He misled my father," says Hanuvant. Prithviraj had moved court in 1980. Citing the Hindu family law, he pleaded for equal shares for himself and each parent. The Maharao, however, argued that he held the right to sell or gift what he had inherited through accession.

Now, Prithviraj is planning to challenge the will which is "the coterie's". While Hanuvant's lawyer H.N. Vora asserts that "Prithviraj stands no chance", most of the relatives back Prithviraj's claim.

Whatever the outcome of the dispute, the unsavoury wrangling has sullied the reputation of the royal family among the local people. The most bewildered, however, are the Jadeja chieftains of Jamnagar, Rajkot, Morvi and Gondal who have always regarded Kutch as their parent house. They had made attempts to broker a compromise between the Maharao and Prithviraj, but in vain.

Now, of course, it looks like a fight to the finish in which the Maharao's legacy of goodwill is likely to be lost forever.

—UDAY MAHURKAR in Kutch



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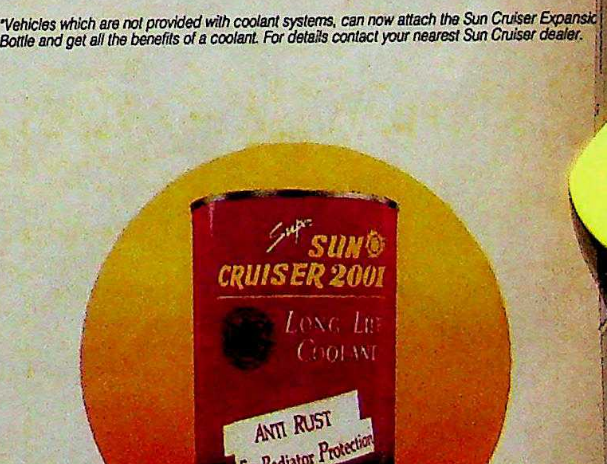

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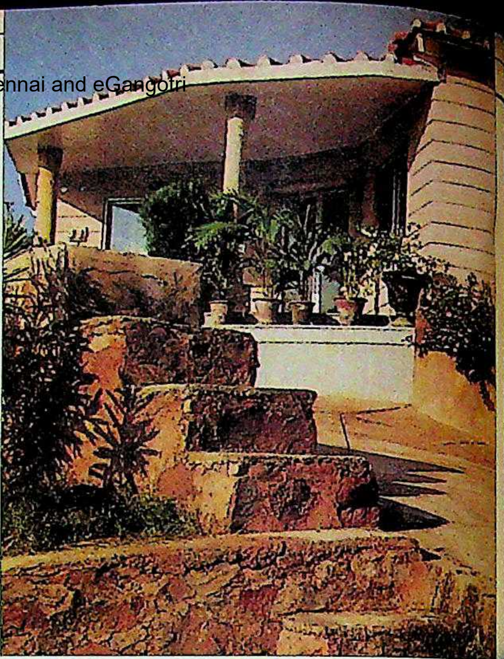
IN TUNE WITH THE WORLD

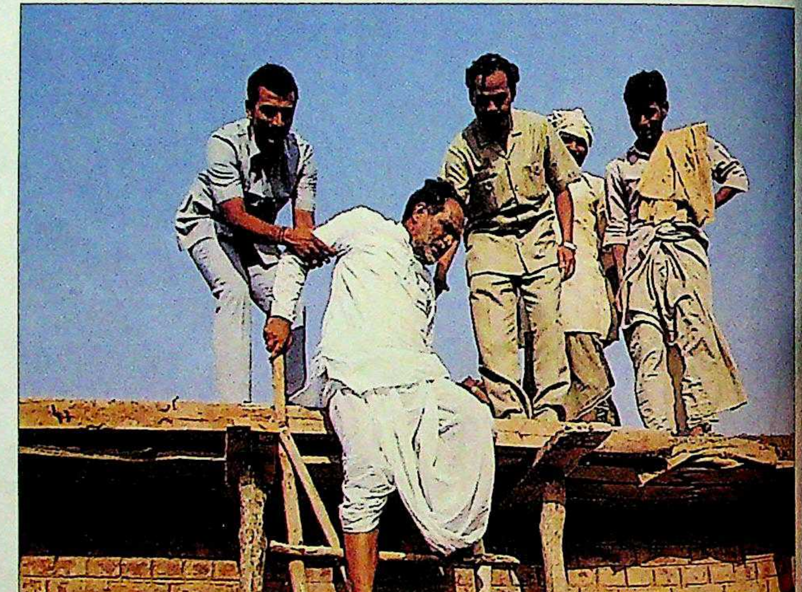
CHANDRA SHEKHAR

BACK TO BHONDSI



The former prime minister is back at his favourite haunt and removed from politics is spending the summer supervising construction at the extra acres acquired while he was in power.

By HARINDER BAWEJA



HE hums a song as he walks along the gravel path, not a care in the world. He throws his head up and laughs, reads a book, goes for long walks. He talks to the birds when he's not feeding them or just sits in nature's midst. No files to read, no meetings to attend. No speeches to make or secret parleys to worry about.

Being a former prime minister means trying to fill a vacuum that grows around you. Chandra Shekhar seems to be doing it quite well. Ensconced in the sylvan surroundings of his farmhouse in Bhondsi—45 km from New Delhi—he is like a warrior come home. Away from the tensions of battling the country's problems. Of worrying about the Congress(I) withdrawing support. Of being a puppet prime minister. Of the days when his government was not allowed to present the budget, when he was virtually forced into dismissing the DMK government in Tamil Nadu. And the futile but gruelling election schedule when he hopped from meeting to meeting, state to state. "I am taking a holiday now. Go and talk to the people in the new Government," he says, visibly relieved to be away from it all.

There is no rancour or regret. With the same cavalier self-confidence with which he became the country's most important man on a negligible base, Chandra Shekhar has slipped happily into being the leader of a party which won a mere five seats in the recent election. Nor has the candour waned. "There was no time to build a base or organise ourselves," he says. There is no wistfulness, perhaps because there is no bright prospect ahead, not in the near future at least. Chandra Shekhar has always been a backroom ace: he became prime minister through intrigue and this former Congressman has no plans to attempt an encore, not after the last experiment when the Congress(I) pulled the rug from under his feet. The man from Ballia seems quite content being a plain member of Parliament.

Chandra Shekhar now spends most of his day supervising the construction on his farmhouse. Soon after he became prime minister, the Bharat Yatra Trust was donated another 35 acres of prime land which he is now developing as if it were his own. Donated ostensibly for setting up a women's polytechnic—panchayat land can only be donated for a social cause—it is no coincidence the additional land is an extension of the landscaped terrain that forms his retreat. Critics say Om Prakash Chautala was responsible for the donation.

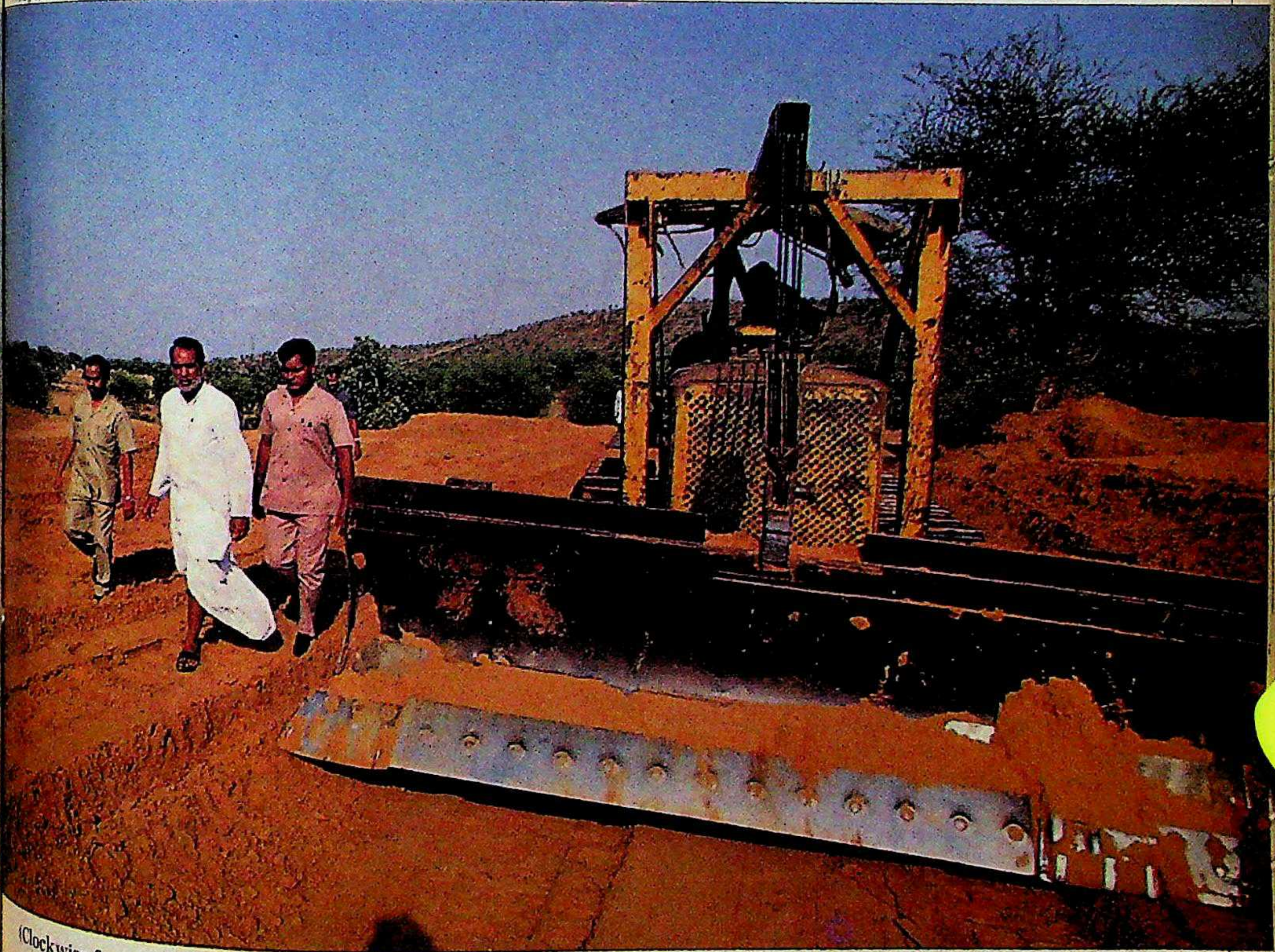
In 1984, the trust was given 45 acres after Chandra Shekhar completed his famous 4,260-km *padyatra* through the length of the country. Several perks came Bhondsi's way when he was "PM *sahab*". The Haryana Public Works Department constructed a 1.8-km metal road off the Sohna-Gurgaon road connecting it to the farmhouse.

THE trust, given the task of greening the Aravalis—a Rs 25-crore Central project—is Chandra Shekhar's main interest. He has also undertaken to plant trees in the 500 acres adjacent to the farmhouse. He sets off on his rounds early. "Remove these stones or how will anything grow here?" he asks, scrutinising a pit. Dissatisfied, he turns to Beni Prasad Madhav, a childhood friend and the trust's chairman, and tells him to get the work done. Directions given, he moves on.

The next stop is at the site for a pond. "*Arre* Hajiji," he shouts for the head mason, who Chandra Shekhar calls his chief engineer. Haji comes running and Chandra Shekhar, who till yesterday was busy grappling with national crises, walks halfway to meet him. "Remove all this mud. The rains will come soon and work will be hampered. Use the bulldozer to remove the soil," he instructs.

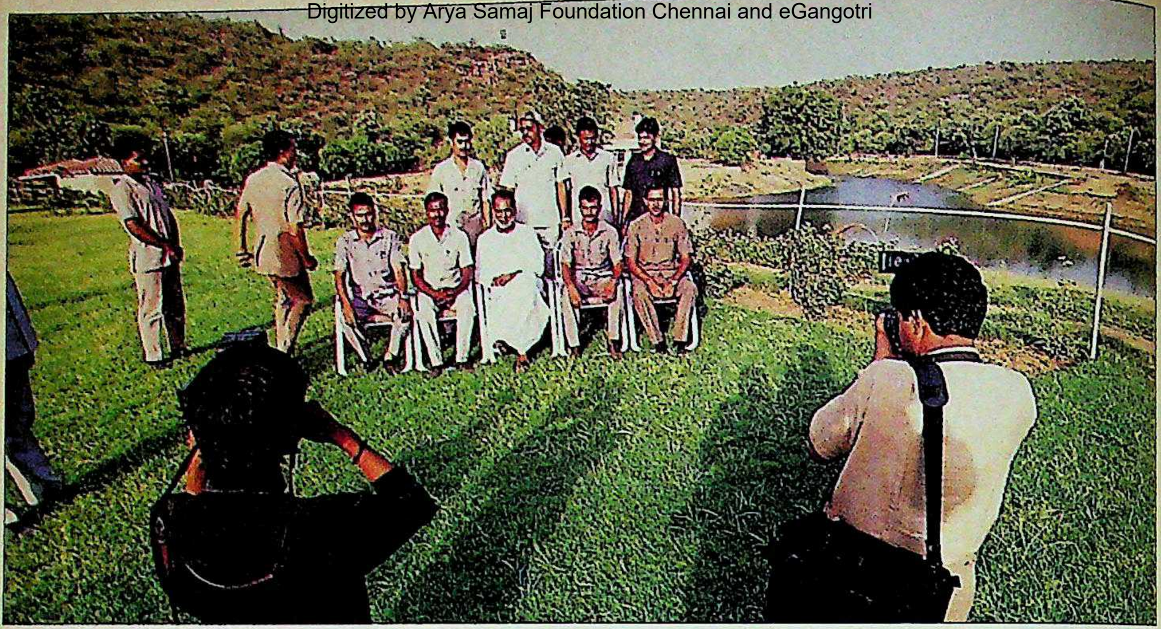
"Running the country was easier. You only had to give instructions, now I have to get the work done myself," he smiles, wiping the sweat from his brow. He looks back rather detached from his seven-month tenure. "I took up the job

Photographs by PRASHANT PANJIAR



(Clockwise from above) work on the newly-acquired land; inspecting the roof of the greenhouse; and the farmhouse

Chandra Shekhar has his hands full running the Bharat Yatra Trust. He feels running the country was easier as then, he only had to give instructions. Now he has to get the work done himself.



Chandra Shekhar posing with SPG guards at their farewell

> *Chandra Shekhar is slowly giving up the last trappings of power—the bullet-proof cars, the security personnel. The only people he is sorry to see go, are the SPG men, whom he calls a cultured lot.*

aware of the country's problems. The job is tough and one thing is clear: we can't make a breakthrough unless we fight unitedly. A Chandra Shekhar can't solve the problems. One person can't make or mar the nation. Running the country is not like household management. Nor is it the work of one political party. Why are we discussing politics? I've come here to rest."

The only signs of the trappings of power that Chandra Shekhar enjoyed as prime minister are the four bullet-proof Ambassador cars that follow him from site to site, and members of the Special Protection Group (SPG) tailing him to meet the bulldozer driver, forming a protective umbrella around him as he stops to greet villagers or sits by the pond to talk to the ducks.

The locals are more conscious of Chandra Shekhar's former status. The staff at the barricaded entrance still hand out visitors' passes which say: "To see the Prime Minister." The only people Chandra Shekhar is sorry to bid farewell to are members of the SPG who he says are a cultured lot, who don't breathe down his neck. He wants to be left alone. Politicians are not encouraged, nor are his aides. Reluctant to leave Bhondsi, he steps out only when necessary. As when he drove to Delhi to attend the Samajwadi Janata Party's executive committee meeting. And again when friend Chautala requested him to be the chief guest at the valedictory function for *Jan Sandesh*, the daily paper Chautala started after the infamous Meham by-election when he thought the press had been unfair in its reporting.

HE hasn't written himself off politically though. "Ours is the only party that is not divided on caste or religious lines. What is so great about the Janata Dal that we should have stayed with them? We are both in the Opposition. What is ahead of me or behind me is not important. My future isn't as depressing as some people like to think." Chandra Shekhar, it seems, is reluctant to even introspect along political lines. "I will voice my views in Parliament. Let the session begin. Looks like you have come here since you have nothing much to do," he says, unhappy his holiday has been disturbed. Strangely, the man who was like a constant thorn in V.P. Singh's side, who was described as a dissenter, a wrecker, is just not interested in anything political. Seven months at the helm of national affairs have left the former prime minister a far less ambitious man.

Chandra Shekhar is consciously trying not to fall into any kind of schedule. "I just do what I feel like. If I feel like reading, I do so, or else I just chat with friends." Among the friends who came calling was his astrologer from Kanpur—Shuklaji. He came with good news. Chandra Shekhar will become prime minister in another 14 months. Who are the friends he sits and chats with? "*Arre*, have you forgotten? Half the time you journalists wrote about my friends. Now that poor Surajdeo Singh is dead, no one is writing about him. And was Chandra Swami my friend only? He is more a friend of Narasimha Rao but now none of you is interested. What double standards do you all have?"

"Let's have some tea," he says, getting up and walking to one end of the lawn where he bids farewell to his security personnel. And with it goes the last of the prime ministerial paraphernalia. Chandra Shekhar packed his bags and handed over 7, Race Course Road even before Narasimha Rao was sworn in.

Chandra Shekhar, himself, is more than just pleased. Sitting back and relaxing, waiting probably for the 14 months to pass.

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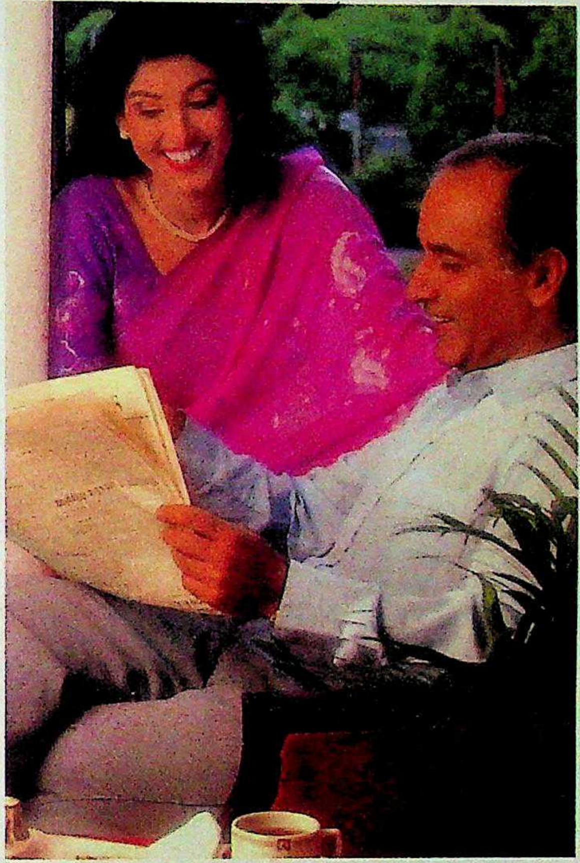

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FILM INDUSTRY SUPPLIERS

Reaching for the Stars

Tired of being kept away from the arclights, the backstage workers and are now using their fortunes to produce their own movies and to take a shot at fame.

By GODFREY PEREIRA

THE contrast is stark, and often, painful. For as long as anyone can remember, the difference between producers of Hindi films in Bombay and the suppliers of equipment to the industry has been as marked as it can be. The first lot are the neon-lit headline grabbers, the makers and breakers of star ambitions, purveyors of multi-crore rupee *masala* dreams, and the much-sought-after money bags the industry lives on.

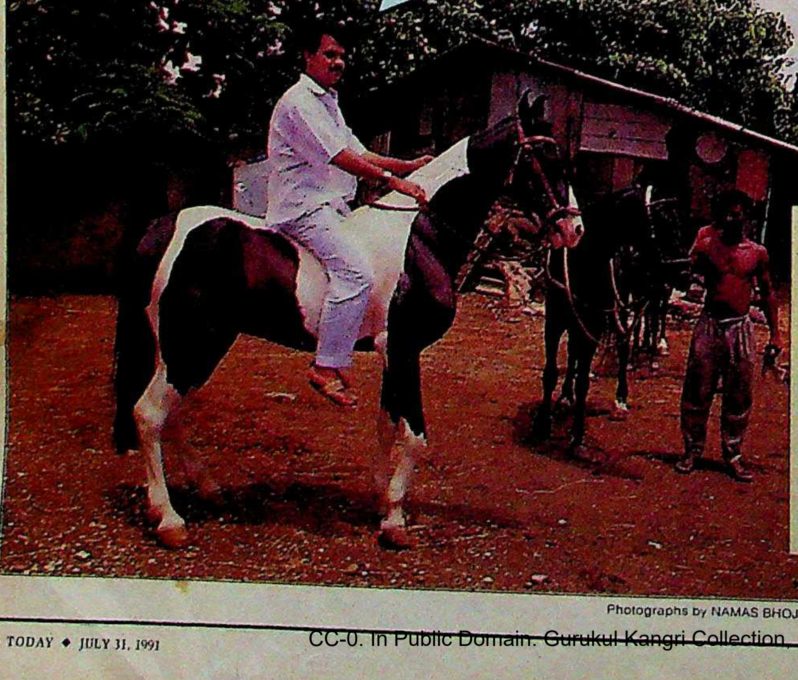
The suppliers, on the other hand, are distinctly downmarket. At best, they are looked upon by both producers and actors as mere light boys and prop men, lackeys who dance to their tunes and whims, fringe people whose fortunes and futures are in the hands of the film world glitterati.

But now, the light boy of yesterday is tired of standing in the shadows, the stuntman tired of impersonations, and the dressmaker of dolling up pretty faces and hunks. Many of them have made their money supplying expertise to the industry. But today business is so good that they have made the transition from being relative outcasts to those who approve the casts. Some have produced and directed films, and others want to. They want to become an inseparable part of the trade that still turns its nose up at the "supply industry". And they have the financial clout to try their hand. "There is big money in supplying the film industry with equipment," says Wahid Chowhan, who heads the Bombay office of Merchant Ivory Productions, which is also in the lights and camera hiring business, besides making films. "And I am not surprised with this new trend. It was bound to happen."

"We have a better perception of the industry than a smuggler or builder."

Take Pappu Verma, who supplies horses for chase scenes, *daku* films and epic battles, to the industry. He produced his first film, *Jaan ki Baazi*, a Sanjay Dutt and Anita Raaj starrer, in 1985. He has since followed it up with *Krodh*, a Rs 1.5-crore effort starring Sunny Deol, Sonam and Dutt, and has *Vansh*, a Rs 90-lakh medium-budget film, which Verma has both produced and directed, awaiting release. "I just thought that the time has come for me to get into producing films," says Verma. "I had learnt the ropes over the years, and I was ready." With both experience and money.

Verma's horse supplying business—which his father started in 1955—nets him Rs 3 lakh a year. He had also doubled for 10 years as the industry's top stunt director, which fetched him Rs 2 lakh as fee per film. This may not seem like much money to save for making multi-crore rupee movies, but in the industry, everybody lives in constant fear of the tax man, and as a rule, downplays his actual earn-



Photographs by NAMAS BHOJANI

PAPPU VERMA

CORE BUSINESS: Supplying horses to the industry. Former stunt director.

FILMS PRODUCED: *Jaan ki Baazi, Krodh, Vansh*, under the Verma Films Combine banner. More in the pipeline.

JALIL AHMED

CORE BUSINESS: Supplying lighting equipment. He started with only three lights. Top name.

FILMS PRODUCED: *Daulat ki Jang.* More films if this succeeds, no loss if it doesn't. Either way, a shot at filmdom fame.

"In this life, I feel I should do something I can be remembered by."

ings. Verma's appear to be enough for him to think of churning out more films in the future—ignoring flops, the way he did with *Krodh*—under his company banner, Verma Films Combine.

THE Morani family is another example of suppliers-turned-producers. Aly and Karim Morani and their father, Ghulam Ali, are the industry's top-notch fire people, providing everything from fireworks for a staged marriage to actual, raging fires for more apocalyptic scenes. They are tight-lipped about money, but their banner, Cineyug, kicked off in 1985 with a Sunny Deol starrer, *Arjun*, made at the cost of Rs 1.5 crore. A hit, the movie netted business worth Rs 75 lakh in Bombay, Rs 40 lakh in Delhi and Rs 25 lakh in Hyderabad. Says the senior Morani, who lives in a palatial house in the north Bombay suburb of Juhu, "It's better to avoid talking about money because it tends to get messy." That is a tacit admission of wealth, which has come in many ways. For example, the Moranis routinely produce fireworks shows in the Gulf, and they had the contract for the fireworks at the Reliance Cup cricket finale, which alone had a budget of Rs 30 lakh.

The film industry, by any standard, is a great laundry for turning black money into white. Deals are struck under the table more often than over and cast-iron contracts are not the norm; verbal deals and trust, the same as in say, the diamonds industry, are the way the film world works. Increasingly, the screen business has drawn money from the real estate trade and smuggling profits which find the no-questions-asked syndrome in the film industry a perfect mechanism to legalise their earnings. However, as the new breed of producers like to point out, others may simply have the money, but they have understanding as well as money. "We know what the industry is all about," says Verma, the horse-trader and producer. "We have a better perception of it than, say, a smuggler or a builder." And this, say Verma and others of his ilk, means a better chance of success in the long run.

This is precisely what is drawing other producer aspirants to the

"I feel that the time has come for me to produce and direct a film."

BIJON DAS GUPTA

CORE BUSINESS: Set design and execution. Considered the best in the trade.

FILMS PRODUCED: None as yet. Didn't have time last year but this year will be different. He is confident of success.

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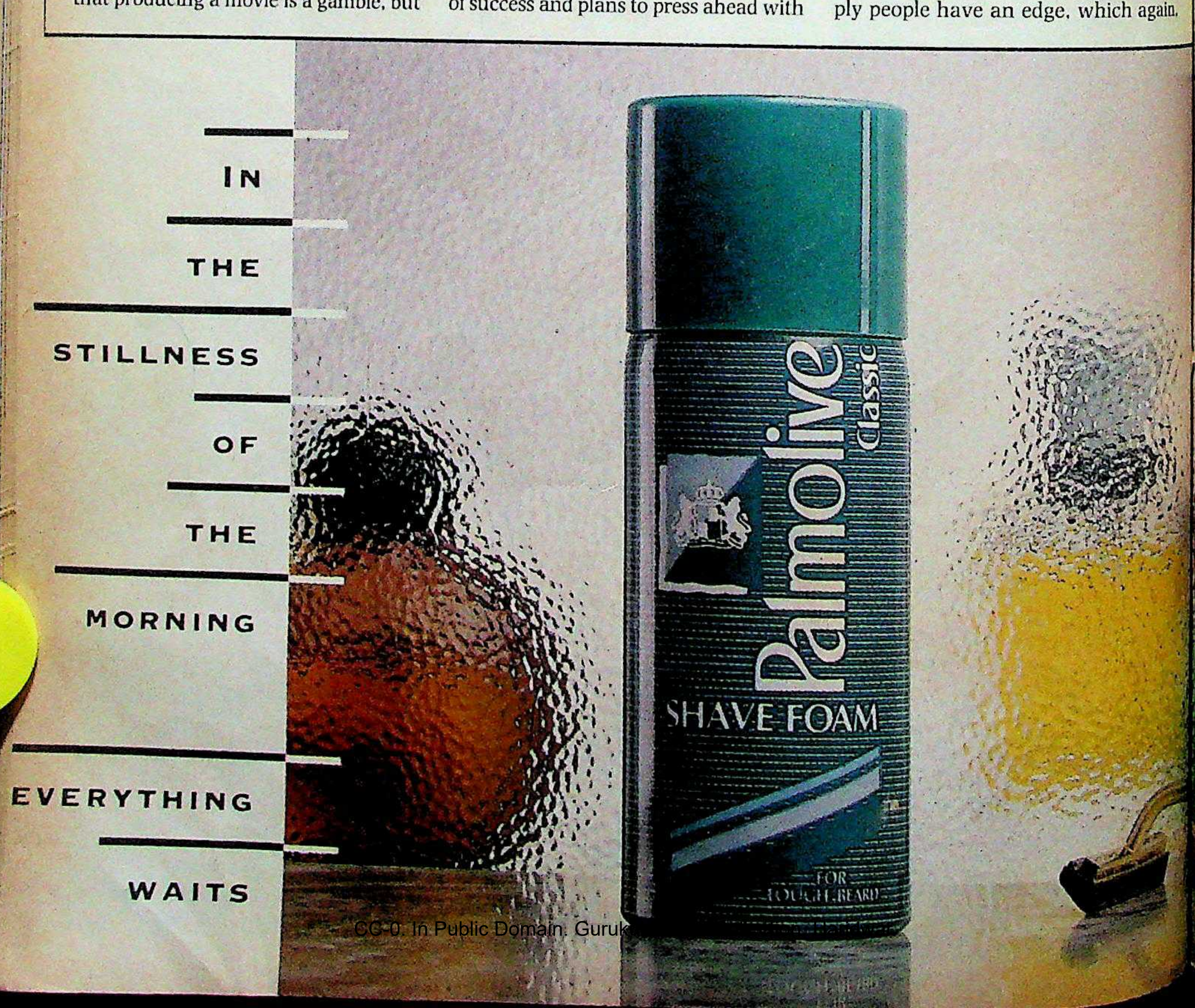
game. There is Mario Gonsalves, who runs a band which plays in movie sets. And Sudhir Deshmukh, who hires out lighting equipment. And Shanker Anand, who owns a printing press for film posters at Dadar in Bombay. "Today so many fools who know nothing about the film industry are producing films," says Anand. "So, why should I not make one? If it doesn't work out, I always have my business to fall back on." But they are the lesser hopefuls in the rung, who are looking at producing movies a couple of years down the road. Others, better established and monied, are expecting their ambitions to shape up much sooner than that.

"I know the industry. I will produce a film."

BIJON Das Gupta, for instance. Das Gupta has designed sets for close to 70 films between 1981 and 1990. Now he has 12 films on the floor working on four sites on any given day in Bombay, and reportedly charges Rs 2 lakh for set designs and more than double that to ensure their execution as well. "I feel that the time has come for me to produce and direct a film," he says. "I almost did it last year but did not have the time." Das Gupta says that producing a movie is a gamble, but there is a "certain thrill" in the whole enterprise that he finds difficult to explain. On the other hand, he is confident of success and plans to press ahead with his production plans. "I have contacts in the film industry," says he. "And I know what I want."

Contacts are crucial in any trade, but especially in the film world, where it means the difference between success and total failure. Here, the supply people have an edge, which again,



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SURESHBHAI MAGANLAL

CORE BUSINESS: Supplying period dresses and accessories. The number one.

FILMS PRODUCED: None as yet, but plans to produce a comedy film. He is determined to go ahead with it this year.

comes out of the peculiar economics the trade thrives on. For example, a set designer, sound man or lights supplier gives easy credit to film producers, often holding back asking for payments for months. Sometimes, years. This apparent benevolence comes in very handy when a supplier wants a pay-back in another way. Say, an introduction to a film star to sign up for a movie. Or, for part financing of a film venture and helping out with friendly distributors. "Nobody takes anybody to court," says an established film producer. "It's very much like, you may need me now, and I may need you tomorrow."

The producing bug has also bitten another low-profile, but respected, industrywallah, Sureshbhai Maganlal, who owns Maganlal Dresswalla, a major outfitter. His company supplies period costumes, fake period jewellery, arms and accessories. Now, Sureshbhai wants to produce a comedy. "I know the industry," he says simply. "I will produce a film." The company was started in 1926 by his father who used to supply costumes for Ram Lila shows and all-night folk theatre extravaganzas. The business branched out to catering to the film industry. And today, Maganlal Dresswalla means booming business. Costumes are hired out on a weekly basis—Rs 50 for a common outfit to Rs 300 for a king's robes with accessories. For Shyam Benegal's *Discovery Of India* TV serial, the take was Rs 13,000 per episode or close to Rs 7 lakh for the 52-episode series. Sureshbhai has supplied costumes and accessories for almost every period film or TV serial made in India. Some recent examples: *Mahabharat*, *The Sword of Tipu Sultan*, *Ajooba* and *Krishna*.

Money is the reason why the men who stood in the shadows for so long now want a slice of the action. They have realised that in the film industry the only thing that talks is money, and it has the power and the passion to articulate their 70 mm dreams. And make a bid for prosperity with posterity.

Jalil Ahmed sums this yearning perfectly. He began his career 30 years ago with a supply store of three arc lights. Today he is the proprietor of Golden Lights, the number one supplier of lighting equipment in the industry. Ahmed, who is known as the "millionaire light boy" in the business has produced his first film, *Daulat ki Jang*, starring teen heart-throbs Aamir Khan and Juhi Chawla. Currently, Ahmed is scouting around for a distributor to launch his film, which he hopes will happen in the next six months. "If my movie succeeds," says Ahmed, "then I would like to go in for directing them too." Like others who have jumped onto the movie-making bandwagon, he appears confident enough that his venture will succeed, and has already planned a second film.

Beyond the question of money, the reasoning is simple. "In this life," says Ahmed, "I feel I should do something I can be remembered by." As a lights supplier, that is impossible, but not if he is a producer of a hit film. This is a chance that Ahmed and others like him are in no mood to pass up. ■

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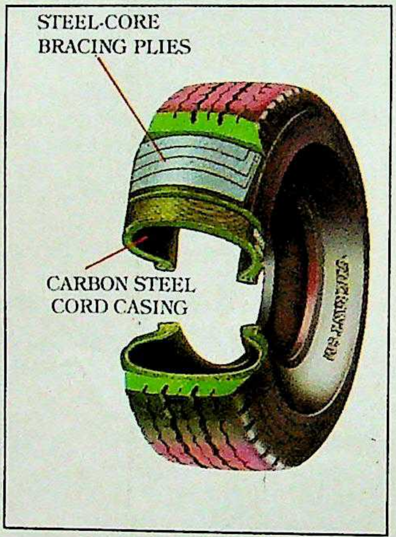
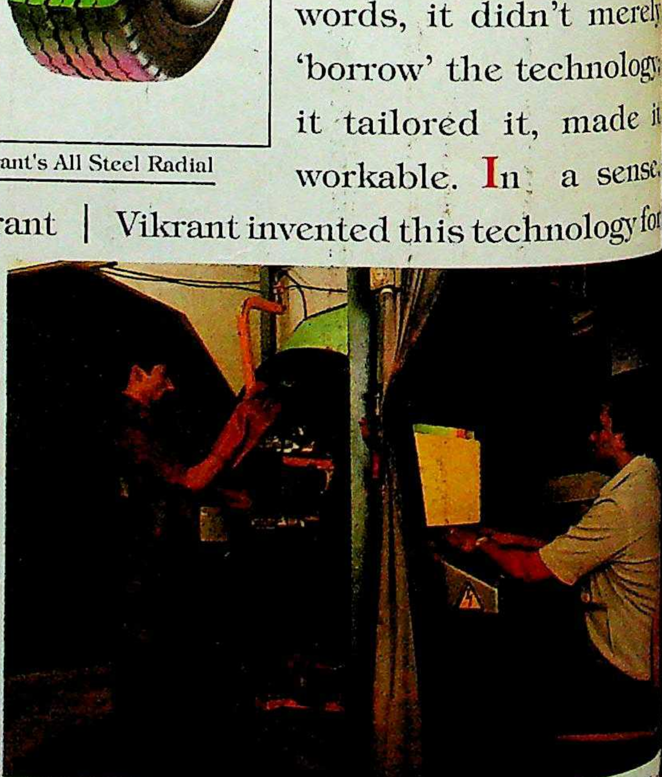


Vikrant's All Steel Radial

For most tyre companies, radials made with textile casing and steel belts represent the limits of tyre technology. The only company to have gone beyond these frontiers into the realm of All Steel Radials, combining steel casings with steel belts, is Vikrant. Vikrant makes these tyres for heavy commercial vehicles whose demands are greater than those of LCVs and cars. Why is it, then, that Vikrant has succeeded and others haven't? The answer lies in Vikrant's approach to the radial challenge. Vikrant went about it with the single mindedness of an inventor. It tapped the vast technical resources of Avon, built prototypes, followed their performance, went back to the drawing board and carried out improvements. In other words, it didn't merely 'borrow' the technology; it tailored it, made it workable. In a sense, Vikrant invented this technology for



At Vikrant, each and every Radial tyre goes through an X-ray ch

MAA COMMUNICATIONS 1661-91

from Vikrant.

and buses? Has anyone followed Vikrant's treadsteps?

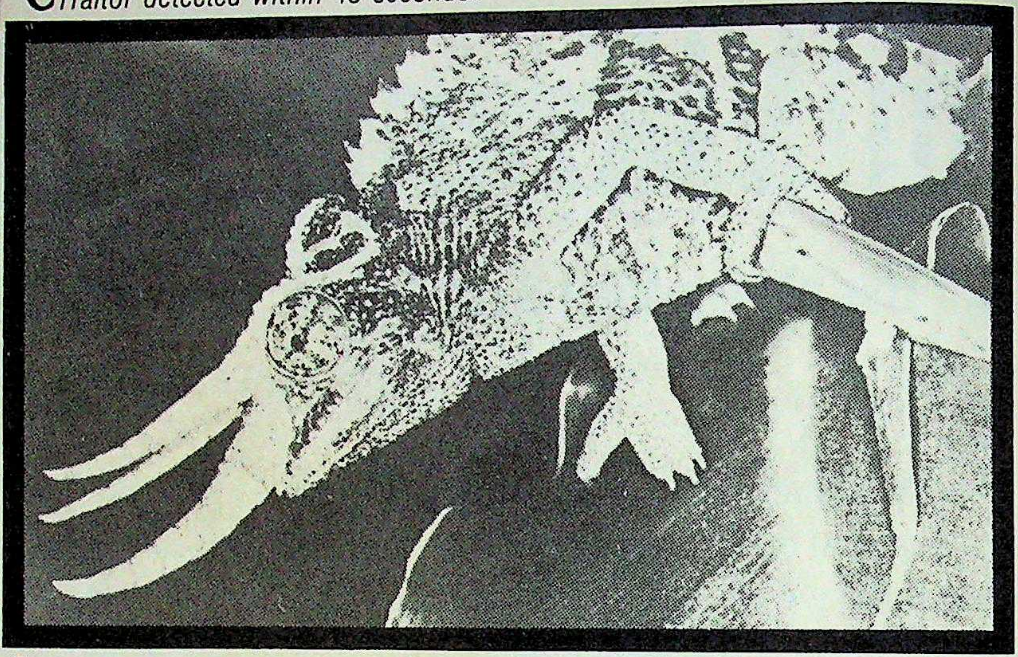
India. The result is that India now has access to a special tyre that can bring down fuel bills by 4%. Consider this logic: if a transport corporation were to radialise 10,000 buses, it would, with the savings on fuel alone, add more than *one hundred new* buses to its fleet every year. In additon, the corporation would reduce annual tyre expenses because Vikrant's All Steel Radials travel twice as far as conventional tyres. The expected lifespan of a Vikrant All Steel Radial can be a staggering 200,000 kilometres or more. If this is the case for All Steel truck and bus Radials, as indeed it is, then why haven't other tyre companies invested in this technology? One wonders. Vikrant has shown that the Radialisation of public and goods transport isn't a simple matter of technology transfer. It requires the spirit of a pioneer, a deep understanding of the severe conditions and loading practices prevailing in the country. It requires expertise to create an All Steel Radial for this environment. The challenge is really that. A challenge that the others haven't yet been able to meet.

40,000 Vikrant Radials are already in service

Technology no one else has.

VIKRANT

Chameleons let loose in Synthetic Fibre Plant.
Traitor detected within 45 seconds.



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One small mistake. And the dye could totally change colours. Making it seem as if hoards of chameleons were running about the place.

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MAIT

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THE WAY TO XANADU

EVEN as the pressure to open up the economy keeps mounting, hidden from the arc-lights is a very hush-hush committee that has for some time now been conceptualising our very own foreign investment Xanadu. No, it's to be neither a duty-free port nor a free trade zone. Headed by Kalyan Bannerjee, chairman, Export-Import Bank of India, this team is examining the possibility of building an exclusive industrial town that will attract foreign entrepreneurs like never before. The new township will leave investors no room for complaint: infrastructure facilities that match the best in the world will be provided. The team is eyeing the itinerant Japanese investor for ever in search of new pastures. The savvy Japanese also comprise the chunk of foreign investors represented on the committee. Other members are drawn from the various financial institutions and the ministries of finance, commerce and external affairs.

REHAB ROUTE

EVER since the AIADMK assumed power in Tamil Nadu, the prospects for Standard Motor Products of India Ltd (SMPIL), makers of the Standard 2000 car, have brightened. The factory, shut since 1989, plans to reopen by next January. At a meeting between company officials and the Bureau of Industrial and Financial Reconstruction, a Rs 24-crore rehabilitation package was considered for the reopening of the sick company's unit. Promoter A.C. Muthiah—whose rehabilitation efforts were stymied by the former administration under M. Karunanidhi—has agreed to bring in Rs 6 crore as his share while financial institutions would pump in Rs 15 crore. The state Government has promised Rs 3 crore towards retrenchment costs and sales tax concessions and has undertaken to buy SMPIL cars once production starts. If things work out, the SMPIL gambit would be just the first step in Muthiah's rehabilitation.

STEEL? GO EAST

MINISTER of State for Steel Santosh Mohan Dev is going all out to push steel projects eastwards. For starters, the minister from Tripura has asked the public sector Metallurgical and Engineering Consultants to prepare a report for setting up a gas-based stainless steel plant in the North-east. He's also looking favourably at an informal Usha Rectifier proposal for a 300-tonne galvanised corrugated sheets plant in the area, though company Chairman Vinay Rai denies it. Dev also plans to clear at least 20 of the many steel project proposals that have come for clearance since the partial delicensing of the industry.

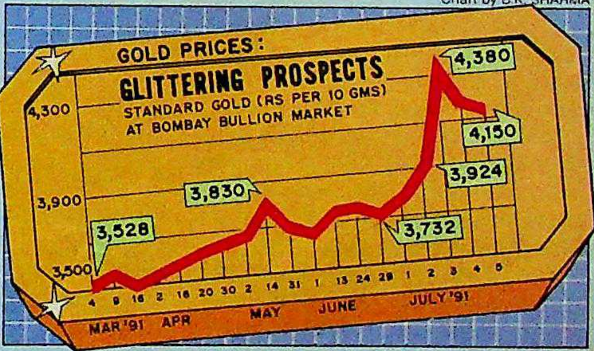
PITCHING TO PRIVATISE

RAJESH Pilot, minister of state for communications, is considering partial privatisation of Mahanagar Telephone Nigam Ltd (MTNL), a cash-rich public sector corporation that runs the Bombay and Delhi telephone systems. A proposal may be put before the Cabinet once he decides the extent of public participation in MTNL equity. The Athreya Committee, which looked into MTNL's working, recommended partial privatisation. Pilot's predecessor, Sanjay Singh, seemed favourably disposed to implement the suggestion. But one Singh initiative Pilot is keen to squelch is his decision to grant 20,000 out-of-turn phone connections. Those not lucky to have obtained connections yet will not get them, unless Pilot has a change of heart.

ALL THAT GLITTER

IT'S definitely gold. With devaluation dumping the rupee through the floor, and fears of a recession and hard times setting in, gold prices have skyrocketed as investors rush for a commodity that has consistently acted as the best hedge against inflation. Gold prices started rising from early March, when it fetched Rs 3,541 for 10 gm, to close at Rs4,150 on July 4, a Rs601-climb in four months. The rise was especially steep between June 29 and July 4, with prices zooming by Rs458 in four days, and in the middle even hit a peak of Rs4,380. If the Government keeps up with its hurt-now-heal-later policies, gold prices could climb still higher.

Chart by B.K. SHARMA



FREE CHIPS

THE Coordinating Committee for Multilateral Export Controls, a US-Europe controlled agency, recently decided to free 50 per cent of the list of dual-use—civilian or military—items from national security export controls. This spells good news for Indian manufacturers of integrated circuit manufacturing equipment, computers, semiconductor diodes, electronic test equipment and telecom transmission equipment. They can now hope for easier technology transfers. In the area of computers, a new formula is being evolved to determine the level of technology which may be shipped to India from the US under general licence that does not need prior US authorisation. Barring supercomputers and high-performance mainframes from firms like Cray, Convex and Control Data Corporation, virtually the latest in US computer technology would be available to India. It also means that computers using Intel's advanced 80486 and R 3000 chips and Motorola's 68040 chip—industry standards internationally—can be sourced from almost anywhere. Including India.

INDO-SOVIET TRADE

For A Few Dollars More

India and the USSR question the basis of their trade relationship

THE ties go beyond mere solidarity and misguided socialism. For the past two years, both India and the Soviet Union have realised that state controls lead to sickness, and privatisation to prosperity. Both realise that foreign exchange earnings and reserves are crucial. Both are trawling the world for money. And both realise that as much as they'd like to get out of the rupee-rouble syndrome in their trade agreement, it won't be easy at all, especially as the two countries are facing grave economic crises. Because, the link is mutually beneficial, even if the much needed dollar has no place in it. "The two countries are bound together in a web of advantages and disadvantages when it comes to shifting rupee-rouble trade into hard currency trade," says Bhabani Sen Gupta, a research fellow at New Delhi-based Centre for Policy Research. "Not before the end of the century, if then, will India and the USSR be trading fully in hard currencies."

For decades, contradictions have dogged Indo-Soviet trade. The Indian Government purchases crude petroleum, non-ferrous metals, and fertilisers among other things from the Soviets. Paying for it all in rupees. In return, India exports tea, technology, clothing, consumer electronic items, and spices. Receiving revenue in rupees. Exports to the Soviet Union have consistently outweighed imports, with exports worth Rs 5,200 crore in 1990-91 increasing the trade in India's favour by almost Rs 2,600 crore—the highest ever.

However, as Soviet rupee holdings have depleted, a large chunk of their imports from India is financed through rupee loans—technical credit in government jargon—up to Rs 2,000 crore last year. This has jolted both finance and commerce ministry officials. What bothers them more is that a number of Indian exports to the Soviets have an import component. Simply put, India pays foreign exchange for imports, produces goods for export to the Soviet Union, but gets only rupees in return. For example, engineering goods, computers and colour picture tubes, which on an average have an import content of 70 to 80 per cent.

There is another factor that goes against India: the highly distorted exchange rate. The commercial exchange rate between the dollar and the rouble is $1 to 1.8 roubles and officially, as a dollar equals Rs 26, the logical level for a rouble should be Rs 14. On the contrary, one rouble is pegged at Rs 29.90. There is more. In April this year, Gosbank, the Soviet Union's central bank, announced a new dollar-rouble exchange rate for the sale of dollars to Soviet citizens: $1 for 27.60 roubles. In free market terms, this brings down the worth of a rouble to almost a rupee, but as this is not the case, the Soviets end up with a very favourable rate of exchange and find imports from India lucrative. "The Soviets are also switching trade," says N.R. Srinivasan, director-technical, Indo-USSR Chamber of Commerce and Industry. "Or re-selling Indian goods to hard currency areas." In effect, the Soviets pick up inexpensive Indian goods and earn dollars for minimum effort.

> There are still too many advantages for either country to break the rupee-rouble link.

Sufficiently alarmed, Commerce Ministry officials have for the first time taken steps to control exports to the Soviet Union.

► Export promotion councils have been asked by the Government to give preference to exports to general currency areas over the Soviet Union.

► The chief controller of exports and imports has begun a monthly scrutiny of exports to the Soviet Union and is examining those with over a 30-per cent import component.

► The Government is insisting on high value addition in the case of exports to the Soviet Union.

► Minister of State for Commerce P. Chidambaram has announced a new incentive scheme for exports by making replenishment (REP) licences freely tradeable, where maximum incentives will be given for exports with less import intensity. In particular, imports against REP for exports to rupee payment areas will be permitted only from these areas. This should discourage exports to the Soviet Union for which India has to pay out in import costs—in hard currency.

► Finally, exports to the Soviet Union have been restricted to Rs 5,200 crore as decided in the annual protocol reached between the two governments.

The measures—except for the new ones announced by the minister—have already resulted in foreign exchange

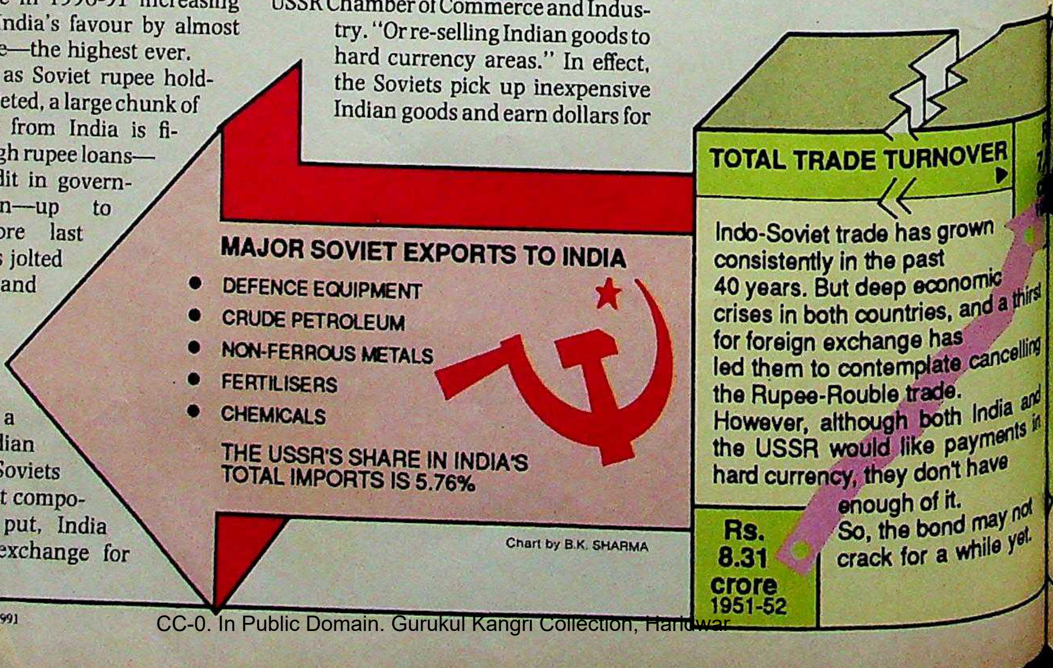


Chart by B.K. SHARMA

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savings worth $500 million, say ministry officials. But this is hardly likely to negate the rupee-rouble link. Not immediately, anyway. Over the years, the Soviets have supplied arms, ammunition and know-how for turnkey projects in power and steel sectors for which it has doled out rouble credit. Today, this amounts to a staggering Rs 26,000 crore. India has to pay back the amount in annual instalments of Rs 2,500 crore which will take more than 10 years to achieve. Meanwhile, India will continue to purchase defence equipment from the Soviets as it is the cheapest and a hard currency-saving source. The West is still wary of India when it comes to defence items, and India doesn't have too much foreign exchange to spare.

A way out could be to fix two separate rupee-rouble rates of exchange. "The Soviet Government thinks there should be two exchange rates," says Nicolay A. Kurilovich, a senior economist with the Trade Representation of the Soviet Union in New Delhi. "One for the repayment of official loans to India and another for exports and imports. The latter should be in line with the exchange rates of the two currencies with the dollar." This will undoubtedly help India. But currently, this proposal is in the realm of hope unless a new round of trade talks between the two governments puts the stamp of approval on it.

This cosy arrangement could be jolted, as many Indian exporters to the Soviet Union expect, if the West acquiesces to the Soviet plea for help and pours millions of dollars into its shattered economy. In that case, the Soviet Union would have enough hard currency funds to buy directly from the West—a caveat that usually goes with loans and investment—ignoring Indian goods. "It will bring down Indo-Soviet trade by anything between 25 and 50 per cent," says Sukirat Anand, director (marketing), with Chinar Exports, a New Delhi-based trading house and major exporter to the Soviet Union. "Products, like garments would be routed in the Soviet market if we were to face competition from the West."

This could be a major problem, as 93 per cent of India's rupee trade is conducted with the Soviet Union, the remainder distributed between Romania and Czechoslovakia, the two former members of the Soviet Bloc still tied to India. Others, like Hungary, Bulgaria and Poland, have already shifted over to hard currency trading with India—Hungary buys Maruti cars from India by paying dollars.

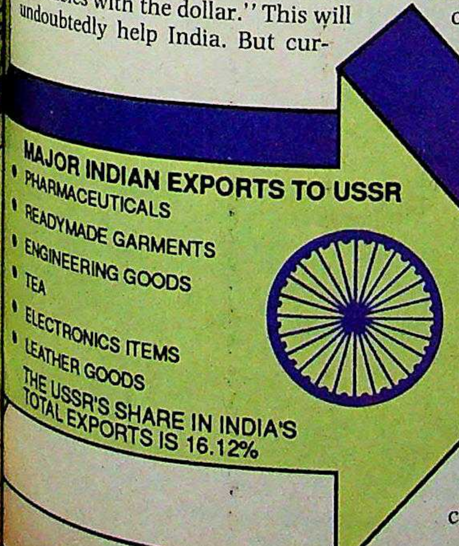
The final shift to free trading may take a while, and India will have to contend with being tied up with USSR till that happens. For now, the balance is in favour of the Soviet Union. And if India cannot extricate itself from the bind, the situation is unlikely to change.

—NEERAJ KAUSHAL

THE BUCK STOPS HERE

To stem up exports to the USSR, the Government has:

1. Asked exporters to push for hard currency earnings.
2. Started scrutinising items which have more than a 30 per cent import content.
3. Restricted exports to a limit of Rs 5,200 crore.
4. Ensured that imports against replenishment licences for exports to rupee payment areas are restricted to these areas.



MAJOR INDIAN EXPORTS TO USSR

- PHARMACEUTICALS
- READYMADE GARMENTS
- ENGINEERING GOODS
- TEA
- ELECTRONICS ITEMS
- LEATHER GOODS

THE USSR'S SHARE IN INDIA'S TOTAL EXPORTS IS 16.12%

MRTP

No to Contests

Sales gimmicks under fire

MARKETING professionals in India are in for a rethink. In a major landmark judgement, the Monopolies and Restrictive Trade Practices Commission (MRTPC) has given the verdict that henceforth, all contests organised to boost and promote sales of commercial goods will be considered "unfair trade practices". What this in fact means is that one of the major corporate marketing gimmicks, that has been accepted as a legitimate sales promotion strategy, gets the stick.

The judgement was really a case of history playing catch-up. In 1984, Colgate-Palmolive was taken before the MRTPC for its Tri-Guard tooth-brush sales promotion contest. The years passed by, as did quite a large number of stay orders, injunctions and hearings. Hence, when the final judgement did come through at last, it caused a bit of a bombshell in marketing circles across the country.

The MRTPC has declared categorically that the organising of contests is injurious to the consumer. Now the MRTPC has only to point to this precedent-setting judgement for censuring a company in similar cases in the future. "They should be more careful before making such a sweeping judgement," says K.R. Krishnan, director-coordination, Colgate-Palmolive. "It will most definitely affect all marketing departments."

However, Neel Chatterjee, general manager, corporate affairs, at Pepsi Foods Pvt Ltd—which has run three sales promotion schemes since its soft drinks launch last year—feels that the judgement will not change things dramatically, as feared by the manufacturers or as expected by the consumers. "In any case," he says, "we get legal advice before we run any scheme. We will just have to look at the legal aspects a little more carefully."

Tell that to companies which are in the middle of running contests. At *A&M*, an advertising trade magazine, publisher Anil Metre is nervous, but asserts that a contest for subscribers has actually benefited them as the subscription amount is lower. In addition, he is offering inducement in the form of a Maruti 1000 cc car and other free gifts. At JK Tyres executives talk in terms of educating the consumer about the

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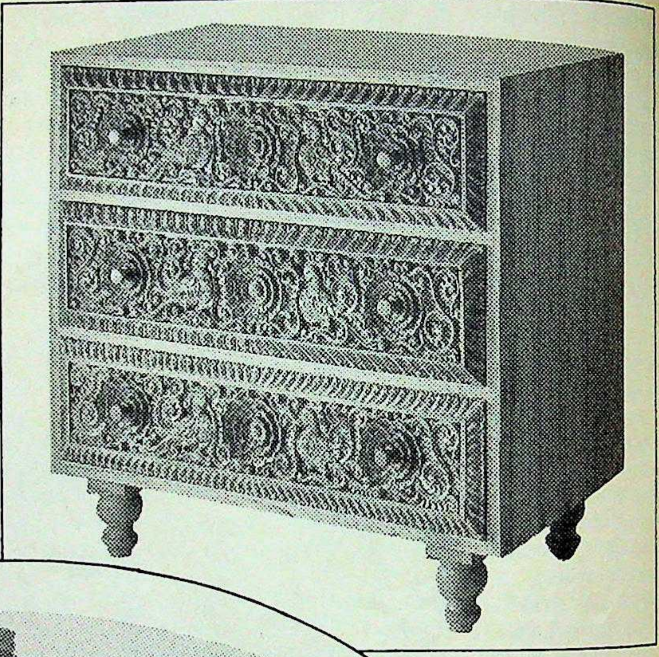

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differences between radial tyres, hoping that the MRTPC will gloss over their commercially motivated promotional activities.

Unfortunately, these two firms, along with Pure Drinks and many others, will soon find themselves under the scrutiny of T.S.V. Panduranga Sarma, director-general, Investigation and Registration, MRTPC. Sarma's office has the responsibility of isolating cases of unfair trade practices and then taking them to task. Sarma says that while it would be physically impossible to look into all ongoing contests, he would be examining them to see whether any contest "puts an undue burden on the consumer by forcing them to buy the product" or have "totally random and speculative elements".

The judgement's critics insist that such contests do not hurt consumers in any way , but in fact aid them by intensifying competition, which then leads to better offers for consumers. Besides, says V.C. Viswanathan, senior vice-president (marketing), JK Tyres, "the consumer is not a gullible chap." Colgate-Palmolive's Krishnan is more vehement. Says he: "It's up to the company how best to utilise its marketing budget."

At the heart of the controversy between the MRTPC and marketing folk is an elementary question: whether sale and profit are still dirty words in India's market-place lexicon? Today, competition is the key factor and the MRTPC has just taken away one of the most handy marketing ploys which, in the words of a senior executive from a large multinational company, is used to "kill the competition". As far as the MRTPC and Sarma are concerned, however, companies had better find another way to a kill.

—GAYATRI BHANDARKAR

PAYPHONES

Popular Ring

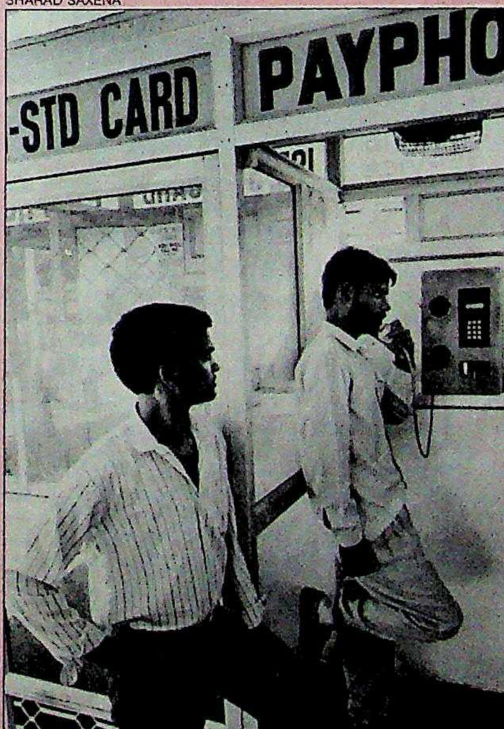
ASHISH Kashyap, a British Airways employee, hated making the customary phone call to his relatives residing in America: the closest public call office was 10 kilometres away from his home in a west Delhi colony. Ganesh Narasimhan, a student of Delhi University, faced a similar problem when ever he had to call his parents in Madras.

No longer. Today, Ganesh, Ashish and hundreds of others do not get hassled at the thought of making that call. All they have to do is to simply head for the nearest payphone booth—which is increasingly becoming as ubiquitous as the neighbourhood post box in many cities in India—for long-distance direct dial calls. "Payphones are perhaps the best utility to have happened for the public," says Narasimhan.

The Department of Telecommunications (DoT) and the Mahanagar Telephone Nigam Limited (MTNL) could not agree more. The payphone is their first major initiative to provide an efficient and viable substitute to a personal telephone, the backlog for which is becoming too much to tackle. Says A.K. Gupta, general manager, management services, MTNL: "As a monopoly, I have failed to provide enough personal telephone connections. Therefore, I want to do a service to a potential phone subscriber by providing him with the payphone facility." Essentially, by staying out of it, MTNL has passed on the job to five franchisees, payphone manufacturers Aplab, Omnitel, Pactel and non-manufacturers IEPC and Usha Rectifier. "As far as MTNL is concerned, they are running the show completely," says Gupta. It is only the payphone sites that need to get MTNL authorisation. Through this measure DoT hopes to increase the 11,000 payphones in operation since last year to 36,000 by the end of 1991. Four years down the road, the number could very well cross the 75,000 mark countrywide.

A payphone booth: easy access

SHARAD SAXENA



The demand for the easy-to-use payphones is steadily rising. And with very good reason: the business is lucrative and works simply. Under the present scheme, the franchisees earn a 20-per cent commission on the total proceeds from STD payphones. And these companies pass on between 10 and 15 per cent to the actual operators.

Payphone operators—ranging from housewives to restaurant owners who cater to the tourist traffic—earn revenues that are anything between Rs 1,000 and Rs 2,000 a day and sometimes even more. Partap Kalra, proprietor of Delhi's Quick Call Service, has seen his monthly earnings jump from Rs 30,000 this January to Rs 50,000 in April. That's a minimum of Rs 5,000 as profit per month. And everybody is making money on the scheme, even MTNL, which earlier used to lose out. Says MTNL's Gupta: "I get more out of the lines that I have given to franchisees, and I don't have to bother about the actual operations." And there is little scope for cheating. And as for efficiency, admits P.R. Karra, assistant director-general, DoT: "The franchisees are bound to be accountable to the public."

For the present, everybody involved—especially a relieved public—is happy punching away to a payphone revolution.

—SRINIVAS VIJAY

THE MARKETS

Holding On

Optimism is the word

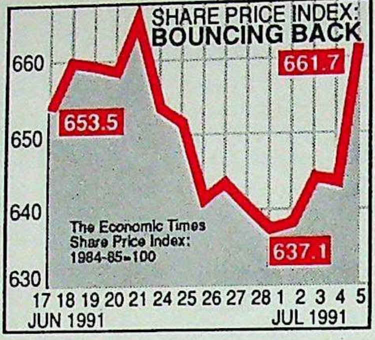
AT the best of times, it's difficult to gauge which way the stockmarkets will move. And over the past month it has become especially tricky. For instance, *The Economic Times* index for share prices was at 653.5 in mid-June and had crossed 660 by June 20. By the end of the month it had slid close to 30 points on speculation that the new Government will give in to IMF conditions and impose harsh measures to cure the economy. But when the Government started to do precisely that—with Finance Minister Manmohan Singh announcing an almost 20 per cent devaluation of the rupee in two days in the first week of July—the index started rising. It closed the fortnight ending July 5 at 661.7.

To be fair to market fluctuations, there was reason for optimism. The IMF loan seemed to be coming through. Also, there were indications that the Government would open up the economy. Besides, a rumour doing the rounds in Bombay Stock Exchange circles was that Singh had been guaranteed political non-interference by the prime minister and he would have two years to try and fix the economy.

This may be idle talk, but suggestions of de-controlling specific industries had more substance. For example, the drugs and pharmaceuticals industry, which could see major changes in the Drug Prices Control Order (DPCO). The Government has fixed prices of drugs arbitrarily through this channel, and a chance of freedom drove pharmaceutical company scrips way up. Hoechst was the biggest gainer here, rising by an incredible Rs 550 to close at Rs3,100 on July 5, a gain recorded over just a single trading session. Hindustan Ciba-Geigy rose by Rs200 to close at Rs 1,400. Glaxo India, Parke-Davis, Pfizer, Burroughs Wellcome, and other industry heavyweights' scrips also looked one way: up.

It's difficult to say how long this mood of optimism will last, even if the DPCO relaxation comes through. The same goes for a bullish market propped up by hopes of a strong economy and more immediately, the after effects of positive 1990-91 corporate results, which are still streaming in. When the Government's fix-it measures begin to bite, optimism may disappear. For example, shares of shipping companies rose during the fortnight as devaluation news came in, assuming that a cheaper rupee means more exports and therefore, more freight to carry, more foreign exchange earnings, and so on. But when the realisation sets in that Indian shipping companies are heavily tied to the Government for orders, entirely payable in rupees, the market may lose enthusiasm. The markets for once reflect the way things are in India, where even economic policy pundits are living on pure speculation.

Chart by B.K. SHARMA



ACTIVE STOCKS

	1991 HIGH	1991 LOW	CLOSE 5.7.91	Change in Fortnight
Ashok Leyland	162.50	109.00	146.00	3.00 –
Associated Cement	2780.00	1300.00	2390.00	235.00 –
Asian Paints	267.50	215.00	233.75	8.75 –
Atlas Copco	89.00	42.00	72.00	1.00 –
Bajaj Auto	680.00	500.00	575.00	40.00 –
Baroda Rayon	630.00	400.00	445.00	70.00 –
Bata India	93.00	72.00	80.00	2.00 –
Ballarpur	309.00	228.00	282.00	2.00 +
Birla Jute	297.00	168.00	295.00	15.00 +
Blow Plast	155.00	40.00	137.50	7.50 –
Bombay Dyeing	245.00	150.00	197.50	27.50 –
Britannia Ind.	152.00	112.00	140.00	2.00 –
Brooke Bond	152.00	116.00	146.00	6.00 –
Cadbury India	187.50	132.50	152.50	8.75 –
Castrol India	355.00	162.50	348.75	18.75 +
Century Textiles	6400.00	3625.00	6325.00	945.00 +
Colgate Palmolive	338.75	250.00	325.00	21.25 +
Cyanamid	142.50	76.25	127.50	5.00 –
DCM	300.00	123.00	179.00	36.00 –
Dunlop	61.00	46.50	55.00	3.00 –
E.I. Hotels	52.00	35.00	45.00	5.00 +
Escorts	172.00	127.00	146.00	6.00 –
Finolex Cables	260.00	140.00	185.00	47.50 –
Garware Nylon	43.75	27.00	30.00	1.00 +
G.E. Shipping	81.00	25.00	78.50	20.50 +
G.S.F.C.	217.50	150.00	196.25	7.50 –
Grasim Ind.	261.00	167.50	239.00	18.50 –
Guj. Ambuja Cement	180.50	90.00	170.00	7.50 –
Hind. Aluminium	277.50	200.00	260.00	2.50 –
Hind. Ciba	1450.00	650.00	1400.00	220.00 +
Hindustan Lever	180.00	140.00	171.25	3.75 +
Hindustan Motors	25.75	18.50	20.00	2.70 –
Hoechst	3650.00	2400.00	3100.00	650.00 +
ICI	57.00	30.00	52.00	2.50 –
Indian Organic	47.50	30.00	33.50	5.00 –
Indian Rayon	137.50	104.50	116.00	7.00 –
Ingersoll-Rand	385.00	240.00	315.00	nil
ITC	179.00	99.00	175.00	9.50 +
J.K. Synthetics	42.00	27.00	28.50	4.00 +
Kinetic Engineering	190.00	145.00	160.00	12.50 –
Kirloskar Cummins.	156.25	95.00	138.75	3.75 +
KSB Pumps	225.00	160.00	200.00	5.00 +
Larsen & Toubro	140.00	90.00	107.50	7.00 –
LML Ltd.	37.50	21.00	23.00	2.00 –
M&M	82.50	57.50	60.00	11.25 –
Mastershares	38.00	20.00	34.75	0.75 –
Motor Industries	1350.00	675.00	1250.00	60.00 –
Mukand Ltd.	215.00	125.00	127.50	36.25 –
National Organic	1400.00	925.00	1375.00	175.00 +
Nestle India	152.50	111.25	144.00	4.00 +
Nirlon	25.00	16.00	21.00	0.50 –
Orkay Silk Mills	34.25	17.50	24.75	4.50 –
Peico Electronics	98.50	53.00	91.00	18.50 +
Pfizer	92.50	60.00	85.00	8.75 +
Premier Auto	57.00	30.00	40.00	6.00 –
Raymond	180.00	110.00	152.50	8.75 –
Reckitt & Colman	277.00	205.00	263.00	5.00 –
Reliance Industries	163.75	91.25	124.00	30.00 –
Siemens India	151.00	112.50	150.00	10.00 +
Shaw Wallace	127.00	77.00	124.00	1.00 +
Shriram Fibres	44.00	33.00	40.50	2.50 –
SKF Bearings	2825.00	1650.00	2425.00	150.00 +
SPIC	65.00	33.00	51.00	9.00 –
Tata Steel	204.00	170.00	204.00	10.00 +
Telco	255.00	142.50	232.50	16.25 –
Titan Watches	93.75	58.00	75.00	8.00 –
Vam Organic	182.50	102.50	182.50	16.25 +
Videocon Int.	285.00	133.75	160.00	37.50 –
Voltas	125.00	92.50	125.00	5.00 +
Wimco	31.50	16.00	28.50	2.50 –

WORLD VALUE OF RUPEE

COUNTRY	CURRENCY	UNIT	TT Selling Rates Rs	TT Buying Rates Rs
Australia	Dollar	1	19.9321	19.7207
Austria	Shilling	100	201.5315	201.0614
Bahrain	Dinar	1	69.4406	67.5104
Bangladesh	Taka	100	74.2807	73.1443
Canada	Dollar	1	22.8651	22.6335
Denmark	Kroner	1	3.7001	3.6616
Egypt	Pound	1	8.1339	8.0051
France	Franc	1	4.2735	4.1667
Germany	DM	1	14.4928	14.1243
Hong Kong	Dollar	1	3.3599	3.3265
Indonesia	Rupiah	100	1.3410	1.3199
Iran	Rial	100	N/A	N/A
Italy	Lira	100	1.9241	1.9012
Japan	Yen	100	19.0114	18.6529
Kenya	Shilling	1	0.9072	0.8922
Kuwait	Dinar	1	N/A	N/A
Malaysia	Dollar	1	9.3462	9.2523
Mauritius	Rupee	1	1.5541	1.5210
Nepal	Rupee	1	0.6070	0.6056
Netherlands	Guilder	1	12.6900	12.5547
Pakistan	Rupee	1	1.0701	1.0554
Singapore	Dollar	1	14.7654	14.6140
Spain	Peseta	1	0.2264	0.2241
Sri Lanka	Rupee	1	0.6368	0.6268
Sweden	Kroner	1	3.9560	3.9147
Switzerland	Franc	1	16.5303	16.3597
Tanzania	Shilling	1	0.1192	0.1176
Thailand	Baht	100	102.5920	99.6397
UK	Pound	1	41.8673	41.5628
USA	Dollar	1	26.1097	25.8565
UAE	Dirham	1	7.1124	7.0377
USSR	Rouble	1	29.9813	29.9125

These rates were supplied by The Bank of Tokyo Limited, New Delhi and quoted between the banks on 4.7.91.

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TT Buying Rates Rs

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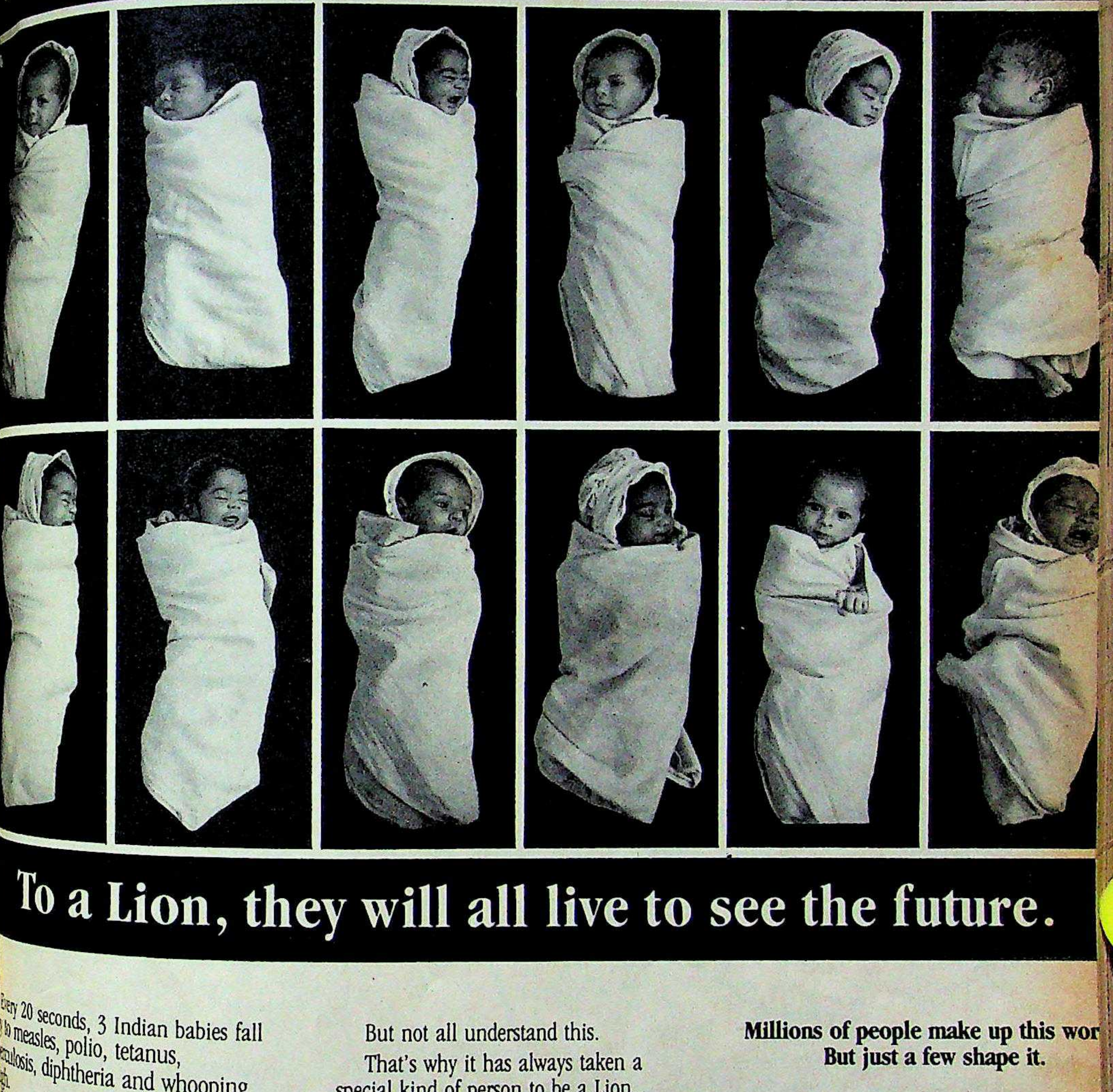
67.5104
73.1443
22.6335
3.6616
8.0051
4.1667
14.1243
3.3265
1.3199
N/A
1.9012
18.5529
0.8922
N/A
9.2523
1.5210
0.6056
12.5547
1.0554
14.6140
0.2241
0.6268
3.9147
16.3597
0.1175
99.6397
41.5628
26.8565
7.0377
29.9125

Limited.
7.91.

To the average person, 3 of them will not survive



To a Lion, they will all live to see the future.

Every 20 seconds, 3 Indian babies fall to measles, polio, tetanus, erculosis, diphtheria and whooping gh.

Simply because of lack of proper unisation.

Which if neglected, could cause plications leading to blindness and th.

What we need is a nation-wide health gramme. To emphasize the benefits of ly immunisation.

Like the 'Measles Minus' programme ducted by the Lions.

A task that needs dedication and centrated effort. And above all, single dedness of purpose. To gift health to lions of babies.

But not all understand this.

That's why it has always taken a special kind of person to be a Lion.

Special men and women who share a common concern. A concern for the society in which they have succeeded.

Who realize that beyond the achievements of everyday life is that most elusive object: inner satisfaction.

And who have come together to touch the lives of others less fortunate than themselves.

Needless to say, people like these aren't many.

After all, if everyone in the world had the vision of a Lion, there wouldn't be an average person.

Millions of people make up this wor
But just a few shape it.

LIONS CLUBS INTERNATIONA

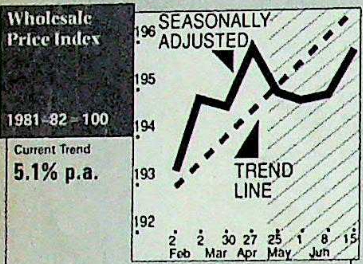
If you wish to extend support to this national cause o require more details about Lions Clubs and its activiti please contact the nearest Lions Club in your town.

nsored by: Kothari Products

Karishma/LCI/3/9

Industrial and manufacturing output rose sharply over the fortnight, but whether these can be sustained depends entirely on the new Government's economic policies. The rate of growth of money supply needs to be reduced without affecting the flow of credit to industry. This means that the fiscal deficit would have to be cut down to manageable levels.

All data are seasonally adjusted. Current trends are computed on the basis of six months' (weekly data) or one-and-a-half years' (monthly data) figures.



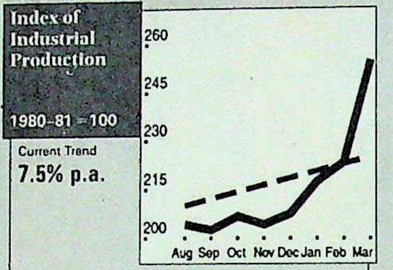
Wholesale Price Index

1981-82 = 100

Current Trend

5.1% p.a.

Wholesale prices increased. But the fact that they have been generally stable is reflected in the low rate of growth.



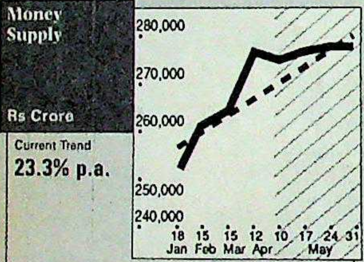
Index of Industrial Production

1980-81 = 100

Current Trend

7.5% p.a.

Industrial production registered a sharp increase—this was a welcome change after a prolonged stagnation.



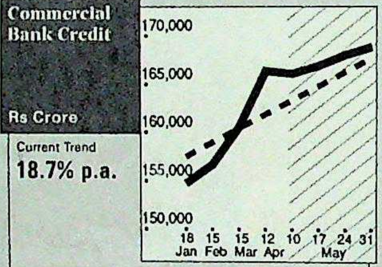
Money Supply

Rs Crore

Current Trend

23.3% p.a.

Money supply increased once again last fortnight, and the rate of growth is too high for comfort.



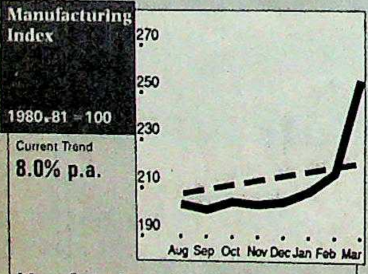
Commercial Bank Credit

Rs Crore

Current Trend

18.7% p.a.

Commercial bank credit grew over the fortnight—industry seems to be finally adjusting to the high cost of credit.



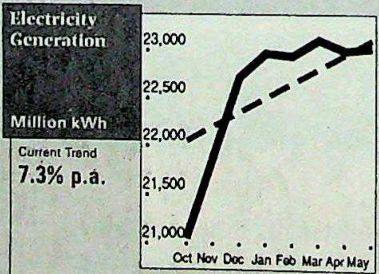
Manufacturing Index

1980-81 = 100

Current Trend

8.0% p.a.

Manufacturing output rose significantly, catching up with overall industrial output—a very healthy sign.



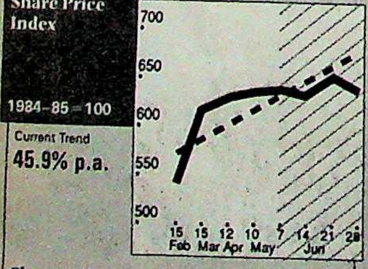
Electricity Generation

Million kWh

Current Trend

7.3% p.a.

Electricity generation was up, but only marginally—this key infrastructure sector needs to step up production.



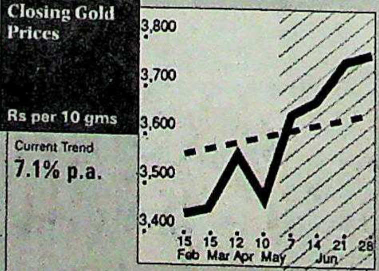
Share Price Index

1984-85 = 100

Current Trend

45.9% p.a.

Share prices were highly unstable—not surprising given the uncertainties about economic policies and the budget.



Closing Gold Prices

Rs per 10 gms

Current Trend

7.1% p.a.

Gold prices maintained a stable trend of growth—the sale of gold by the Government had no negative effects.

WHOLESALE PRICES

Growth of items in the 1st fortnight of June 1991

	% Growth
Turmeric	8.33
Oranges	5.58
Cashew-Nut	5.41
Coconut Oil	4.90
Arhar	2.88
Polythene Moulding Powder	2.37
Fish	2.17
Coir Yarn	1.88
Solvent Extracted Oil	1.87
Cotton Cloth	1.85
Handloom & Powerloom Products	1.84
Maize	1.73
Atta	1.54
Cotton Yarn	1.54
Butter	1.44
Cement	1.43
Sugar	1.42
Gur	1.37
Silk & Artificial Fabrics	1.28
Petroleum Crude & Natural Gas	1.26
Coir Fibre	1.24
Electrical Motors	1.21
Aviation Spirit	1.14
Linseed Oil	1.05
Mining Machinery	1.05
Rails	1.05
Maida	1.02
Bolts & Nuts	1.02
Electricity	0.98
Machine Tools	0.88
Transformers	0.86
Limestone	0.85
Tractors	0.82
Pig Iron	0.82
Kerosene	0.81
Zinc	0.79
Vanaspati	0.74
Wheat	0.70
Tobacco Raw	0.70
Biscuits	0.53
Tobacco & Other Tobacco Products	0.53
Sugarcane	0.51
Cars	0.51
Dry Cells	0.50
Dyeing Materials	0.44
Ball Bearing	0.44
PVC Compounds	0.42

Of the 134 series considered, 70 of them with a total weight of 43.041 had a positive rate of growth and 64 of them with a total weight of 41.811 had a negative rate of growth.

SELECTED INDICATORS

	1990	1991
Letters of Intent Numbers, May	427	534
Industrial Licences Numbers, May	157	139
Crude Petroleum Thousand Tonnes, May	2875	2734
Petroleum Products Thousand Tonnes, May	3953	3586
Call Money Rates Per Cent, May	19.30	32.89

Compiled by THE POLICY GROUP

To the average person, she is losing her sight.

To a Lion, she could still see the world again.

many young people like her are victims ucoma.

lindness that can be prevented if treated

d every year millions of others, both g and old, fall prey to eye disorders, ding cataract, that often result in ness.

their fight against blindness the Lions been conducting country-wide eye-care s.

oviding free check-ups and medical relief e underprivileged. And averaging 2 lakh act surgeries per year, in the past. ions has now launched a nation-wide ramme, 'Sight-First—Lions Conquering ness', in July 1990. ting a phenomenal target of 20 lakh ries per year, within the next 5 years.

A task that requires selfless devotion and above that the perseverance and commitment to reach the goal.

But not all understand this.

That's why it has always taken a special kind of person to be a Lion.

Special men and women who share a common concern. A concern for the society in which they have succeeded.

Who realize that beyond the achievements of everyday life is that most elusive object: inner satisfaction.

And who have come together to touch the lives of others less fortunate than themselves.

Needless to say, people like these aren't many.

After all, if everyone in the world had the vision of a Lion, there wouldn't be an average person.

Millions of people make up this worl
But just a few shape it.

LIONS CLUBS INTERNATIONA

If you wish to extend support to this national cause or require more details about Lions Clubs and its activities please contact the nearest Lions Club in your area.

ed in the public interest through the courtesy of Kitply Industries Limited — Makers of Kitply

Karishma/LCI/5/28

Footloose Funds

■ The equation is simple: allow people to let their hair down, swing to loud music, and they will fall over each other to pay you good money for the privilege. In any major Indian city, running a discotheque is business that counts itself in crores of rupees annually. Hotels usually handle them best, as they combine good locations, financial clout and ritzy reputations.

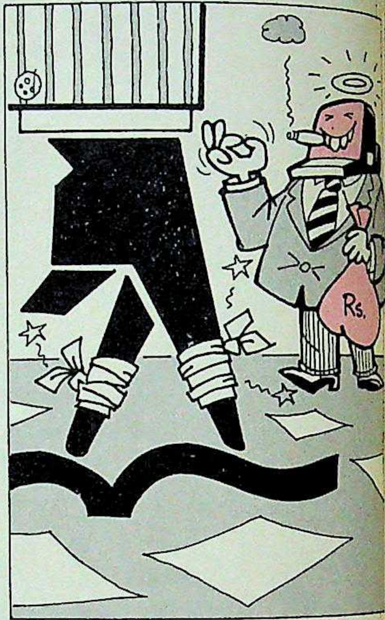
Membership fees range from a mere Rs 2,000 a year at Bangalore's Knock Out to Rs 15,000 a year at Delhi's Annabelles. High prices, says Gaurav Ghai of RGs at Bombay, are designed to keep out "the undesirable elements". But do nothing to keep the money from rolling in.

PRASHANT PANJIAR

Discos: a swinging success

Red in Yellow

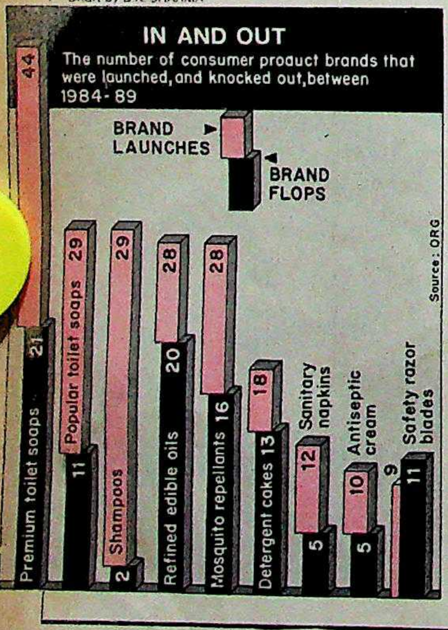
■ The Mahanagar Telephone Nigam Limited (MTNL)'s telephone directories seem to be in need of a financial bail-out. Help seems to be at hand for United Database India (UDI), the official producer of the Yellow Pages and directories for MTNL, in the shape of C. Sivasankaran, chairman of Sterling Computers. Sterling has signed an agreement with UDI to provide the company with a Rs 3-crore loan to help publish the directory in Bombay. Sivasankaran has also sent in a friend as an advisor to UDI to help put its management in order. However, the company has massive bank liabilities which have to be sorted out, and Sterling has requested the creditors to come together for rescuing UDI. Sterling may even try to take over UDI, but that will depend on how much the banks help out with debt.



Product Problems

■ It may be easy to launch a product, but it could be just as easy to come up with a dud. This fact about merchandising mortality is revealed in a 1991 survey by the Operations Research Group (ORG), which details survival trends for consumer products between 1984-89 *(see chart)*. The successes were mainly new brand launches in soaps and sanitary napkins, where the failure rate was lower than 50 per cent. Shampoos were the major success story, with only two brands getting knocked out against 29 new brands launched, or a failure rate of just 6.9 per cent. For others, the failure rate was pretty impressive, 50 per cent and above. Razor blades came out a cropper, with nine brands launched and 11 out—the going was so rough that even two of the existing brands went out of action. Moral of the story: when the future looks good, try a double-take.

Chart by B.K. SHARMA

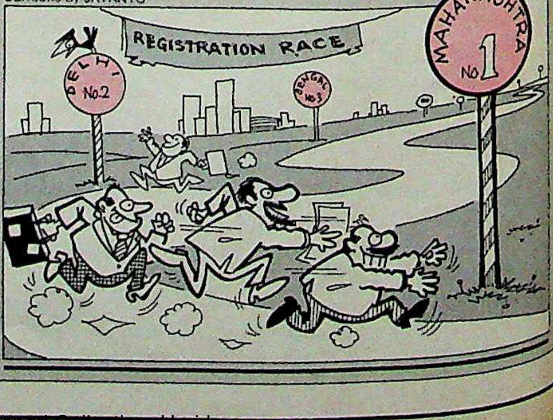


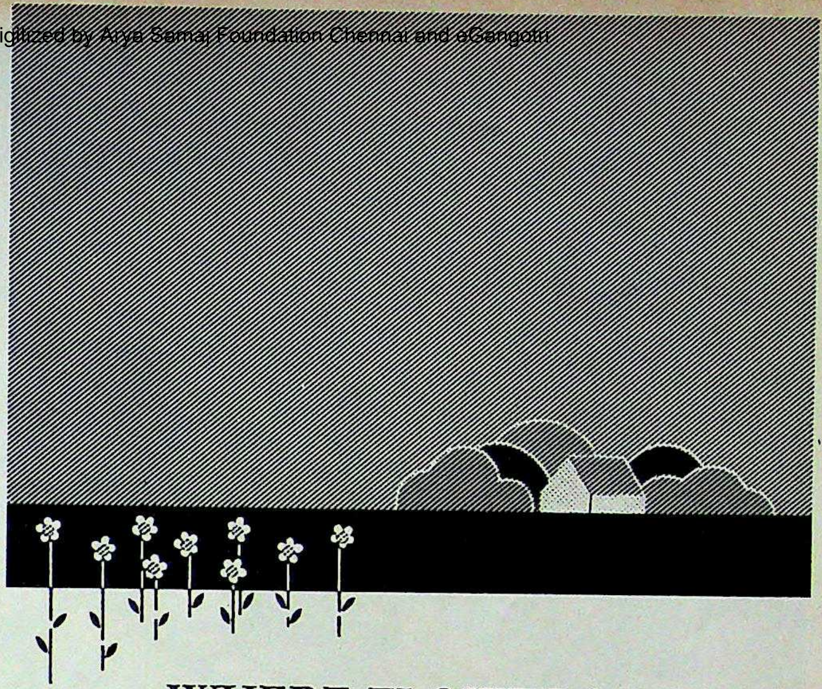
Rank and File

■ Which state or Union territory is the biggest draw for entrepreneurs? No prizes for the answer: Maharashtra. In 1989-90, as many as 4,757 private companies were registered in that state, accounting for nearly a quarter of all companies set up in the country. New Delhi figured at a creditable number two slot, given its area, with nearly 4,000 registrations—apparently, companies are easier to launch in *babudom*.

One surprise: Gujarat, once a contender for the top spot with Maharashtra, figured a lowly fifth with just over 1,400 registrations. Another surprise: communist-ruled West Bengal features at number three, with 2,123 registrations in 1989-90. Could it be that the state, known for its sick industries and a rabble-rousing labour ethos, is finally in business?

Cartoons by JAYANTO





WHERE FLOWERS BLOOM

Two momentous things are happening in front of our very eyes. The population is increasing dramatically and large tracts of land are becoming infertile.

Somewhere in between, is trapped the common man. As pressures on him increase, a house for him remains a pipe dream.

But with socially alive companies, a lot of ground is being covered.

ELDECO is one such.

In 16 years ELDECO has built over 15.5 million square feet of area. Some of it for commercial use and some of it for residential.

And, today, scores of complexes in Agra, Lucknow, Kanpur and Ghaziabad are throbbing with life. With that breath of freshness ELDECO has provided them.

Some months ago these places were barren. But now you can actually step out here and pick flowers.

Some of the prestigious projects

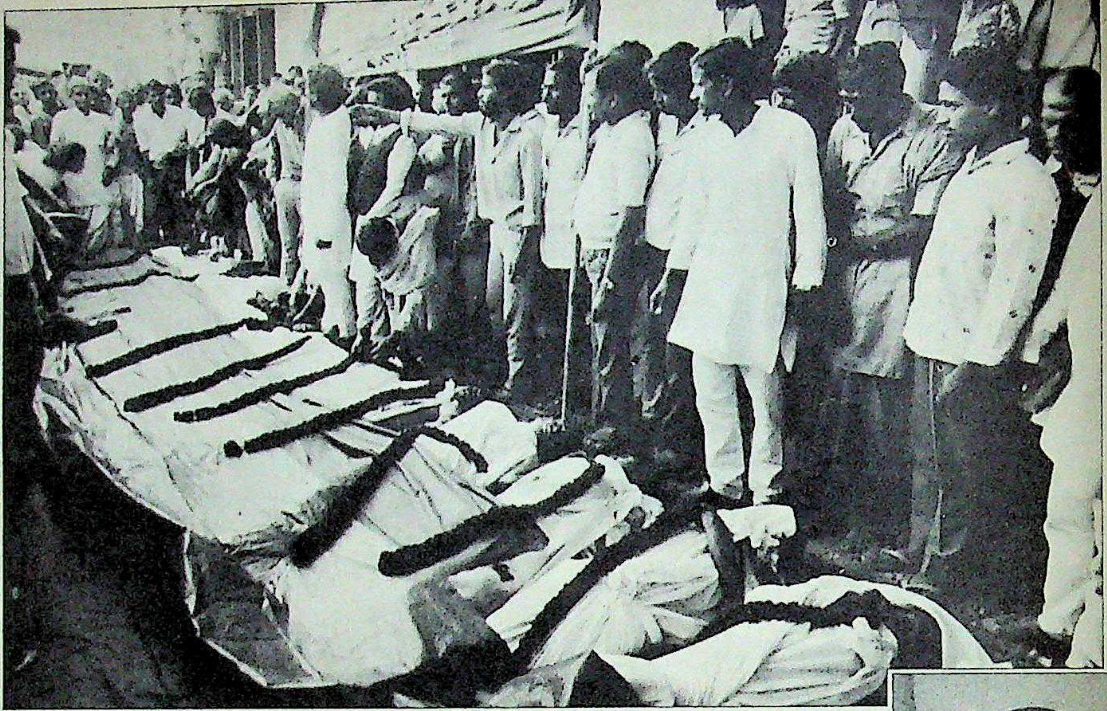
- **The 500 Apartment Sikha Enclave, Kanpur**
- **Stock Exchange Building, Kanpur**
- **HAL Complex, Karwa**
- **Udyan'a 4000 house Mini township, Lucknow**
- **Sanjay Complex, Agra**
- **15-Storeyed Kausambhi blocks, Ghaziabad**
- **Low Cost Housing that has won international recognition**

ELDECO HOUSING
& INDUSTRIES LIMITED
28/2, Sanjay Place, Agra 282 002
Phone : 72730 Telex : 361 ELDC IN

GOING FROM ROOF TO ROOF.

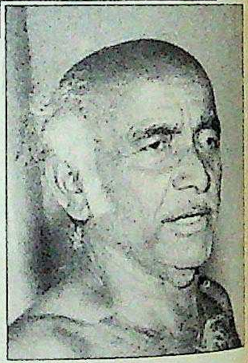
R K SWAMY/BBDO EHIL 6291

K.M. KISHAN



BIHAR

A Macabre Ritual



The Bhojpur carnage once again exposes the victimisation of the Harijans in the state by the politician-upper caste nexus.

By FARZAND AHMED

IN the 1930s the landlords of Gaya in Bihar used to demand at least one seer of milk a day from Harijans. If they were unable to provide it, the landlords demanded the same amount of milk from their lactating womenfolk.

Six decades later this obscene form of exploitation has withered away. But the changes are cosmetic. Harijans in Bihar remain the "wretched of the earth", exploited, disenfranchised and living in constant fear of massacre by powerful landlords (*see chart*).

Last fortnight brought reality home in brutal fashion. Fourteen Harijan villagers in Deo and Sahiara in Bhojpur district were slaughtered in their sleep because the local landlords suspected them of being behind the murder of three of their henchmen; the principal accused in the 1989 murder by Rajput landlords of 23 Harijans in Bhojpur's Danwar-Bihta area. The Harijans' crime? Daring to vote in the 1989 polls.

Following the massacre, Chief Minister Laloo Prasad Yadav handed out ex-gratia payments and jobs while Union Welfare Minister Sitaram Kesari offered yet more money and announced a welfare programme. But what no politician has succeeded in doing is tackling the root cause of the Harijans' oppression—their economic dependence. Yadav claims his campaign for "social justice" will give Harijans the confidence to fight feudalism. To this end—and to maintain his political base among the Harijans—he declared that Harijans in "tense" villages would be armed so that they could protect themselves.

But what Yadav failed to do was act against Jwala Singh, 70, a Rajput landlord responsible for unleashing a reign of terror in Danwar-Bihta and the main suspect in the 1989 massacre. When Jwala Singh was given anticipatory bail, security forces were sent to protect not the Harijans but Jwala Singh, better known as *"adamkhor"* (maneater).

(Above) Harijan victims of a massacre in Patna district; and (top) Jwala Singh

During this election he made sure not a single Harijan voted. Such was their fear, that all the males of the Harijan basti fled their homes, leaving their women to reflect on the travesty that passes for democracy in Bihar.

Indeed, during his campaign, Yadav shared a platform with Jwala Singh—a demonstration of how politicians of all parties seek his support. This also explains why Jwala Singh is still free. No attempt was made by the police to arrest him after the 1989 massacre. When the issue was raised in the Assembly recently, Yadav said the CID had exonerated him of all charges. Jwala Singh himself declares: "If I've done anything wrong the Government must prove it. The CID exonerated me and 20 *mukhiyas* have signed a memorandum saying I was not involved in the crime."

When Harijans hear the insouciance of such remarks, they know that no matter what happens, no matter which

THE TOLL OF HARIJAN VICTIMS IN MASSACRES

YEAR	PLACE	DEATHS
1977	BELCHI	14
1980	PIPRA	14
1980	PARASBIGHA	11
1984	GAGANBIGHA	5
1986	GAINI	12
1986	KANSARA	11
1988	NONHI-NAGWAN	18
1988	KOIRIA-CHATAR	7
1989	TIROJPUR	6
1989	MUNGER	7
1989	DANWAR BIHTA	23
1990	DARIAPUR	4
1991	PAHARPUR	7
1991	HARLAKHI	6
1991	MALBARIA	13
1991	DEO AND SAHIARA	14

set of politicians is in power, no matter what policies are implemented, they will continue to be treated as sub-human creatures. So, when a Harijan youth was riding with his newly-wedded wife in a trekker on May 22, he met the kind of vicious end meted out to his community since time immemorial. As he neared Mayapur village in Gaya district, a gang of youths from land-owning families stopped him and asked how a Harijan could dare to ride in a trekker. When he protested, he was shot dead.

In Vishnupur-Bhagnagri in north Bihar, the day after the May 20 poll, hundreds of armed goondas surrounded the Harijan basti and torched the huts, reducing them to ashes. Julum Paswan, whose two-month-old twins were burnt alive in the inferno, said: "This is what we got for voting according to our will."

At Bhojpur on polling day, about a dozen men forced over 100 Harijans out of their homes, captured the booth and took the Harijans' votes. Such incidents demonstrate the hollowness of democratic elections in Bihar where Harijans, who constitute 14 per cent of the population, are denied the vote due to the social and economic supremacy of the land-owning upper castes. Says an official: "None of this is new. The only new factor is that a section of Harijans is realising the importance of their votes."

The grotesque, almost insane, oppression of Harijans has spawned numerous movements to organise Harijans and give them a greater awareness of their rights—the Kisan movement of Sahajanand Saraswati, the Sarvodaya movement led by Jayprakash Narayan, various leftist movements under the CPI, the CPI(M) and Naxalite groups. Harijans were mobilised on issues of minimum wages, share-cropping, land distribution. But retaliation by landlords has been swift and brutal. Harijans have also found themselves the hapless victims of police violence—in the name of cracking down on the leftists.

One of the latest and most active groups is the Indian People's Front (IPF) which emerged as an umbrella political party for various ultra-left groups in the '80s. It has a strong base in central Bihar and most of the victims of the Deo-Saharia massacre and of the 1989 slaughter formed part of its cadres. One reason why many Harijans have invested their hopes in the IPF is the bitter experience of seeing mainstream Harijan leaders become part of the establishment and lapse into "Brahminical" behaviour.

Jagjivan Ram was one such example. Another more recent one was Ram Vilas Paswan who, after forming the Dalit Sena for the uplift of Harijans, threw in his lot with Laloo Yadav and V.P. Singh. He ended up alienating supporters so much with his ostentatious life-style, that he had to change his constituency. Says Uday Narain Choudhury, minister for jails and a Harijan: "Under the capitalist political system, leaders who emerge from among Harijans are dazzled by power and forget their supporters in the villages. This is the tragic reality which forces Harijans towards the extremists." But the Marxists and IPF have come under attack for "pushing" Harijans into the kind of assertive behaviour that inevitably invites a terrible retribution from the landlords.

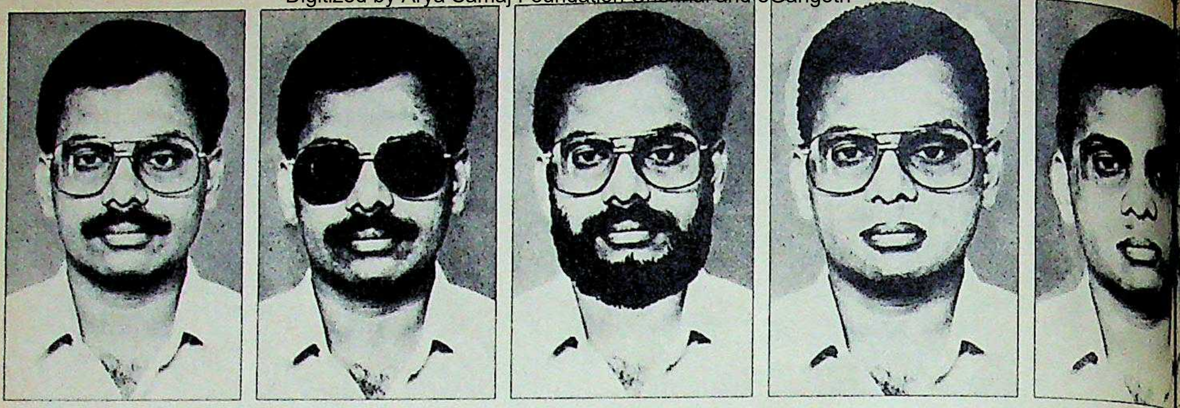
Laloo Yadav has decided to follow his predecessors by forming a "task force" to eradicate extremist activity in the state—a classic case of treating the symptoms instead of the cause. Among Harijans this has revived fears of a repetition of a violent state crackdown in which innocent people end up getting hurt. For IPF state President Krishnadeo Prasad Yadav, such a policy is proof of a new alliance between the old feudal class and the nouveau riche to preserve the balance of power in their favour: "As the urge for *rajsatta* (political power) is increasing among the Harijans, the feudal elements are trying to suppress it. They see voting as a way to *rajsatta* for the Harijans."

The IPF's opponents say its strategy involves encouraging Harijans to demand their rights and then, when the landlord-politician nexus retaliates, leaving them to fend for themselves. The IPF, the argument goes, uses Harijans as political fodder in much the same way as conventional parties. But Krishnadeo Prasad Yadav denies this: "We don't want Harijans to depend on us. They have to stand up and fight for their existence."

For Harijans in Bihar the assertion of basic human rights seems to involve risking life and limb. Laloo Yadav keeps blowing his own trumpet about how he has brought "social justice" to Harijans. But none of his measures will be of much use until Harijans are liberated from the yoke of economic dependence. Until such a time comes, people like 45-year-old Mita Devi from Nonhi-Nagwan village in Jehanabad, will still be saying: "I have never seen a ballot paper in my entire life." ■

Police beating up IPF activists

DEEPAK KUMAR



ASSASSINATION PROBE

Manhunt Accelerates

Although 'One-eyed Jack' Sivarasan is proving to be an elusive quarry, the CBI's net is closing in on the operational mastermind behind Rajiv's killing.

By ANIRUDHYA MITRA in Madras

THE legend of 'One-eyed Jack' grows larger by the day. For almost a month now, the alleged operational mastermind behind the assassination of Rajiv Gandhi has shown the security forces a clean pair of heels—this, despite the biggest manhunt launched in the country to trace a single individual. Convinced that the elusive Sivarasan is still holed up in India, the Special Investigation Team (SIT) has been frantically scouring the countryside in a bid to keep him bottled up.

But like the legendary Scarlet Pimpernel, the one-eyed VIP fugitive is everywhere at once. One day he is seen in Madurai, the next in Visakhapatnam only to be "spotted" near Bangalore the next. The SIT's problem is that any lead—no matter how slender or incredible—it cannot afford to ignore. Moreover, what the exercise has mainly succeeded in proving so far is the extent of the elaborate network of hideouts the LTTE has established in the southern part of the country.

One other crucial element in the manhunt has also been firmly established; that Sivarasan is still in India and the SIT has come tantalisingly close to laying its hands on him on more than one occasion. In fact, what has enabled SIT sleuths to track his movements is the high-frequency communication device Sivarasan was carrying to keep in touch with Jaffna. The investigating team managed to intercept coded communication between 'Jack' (his codename) and the LTTE in Jaffna.

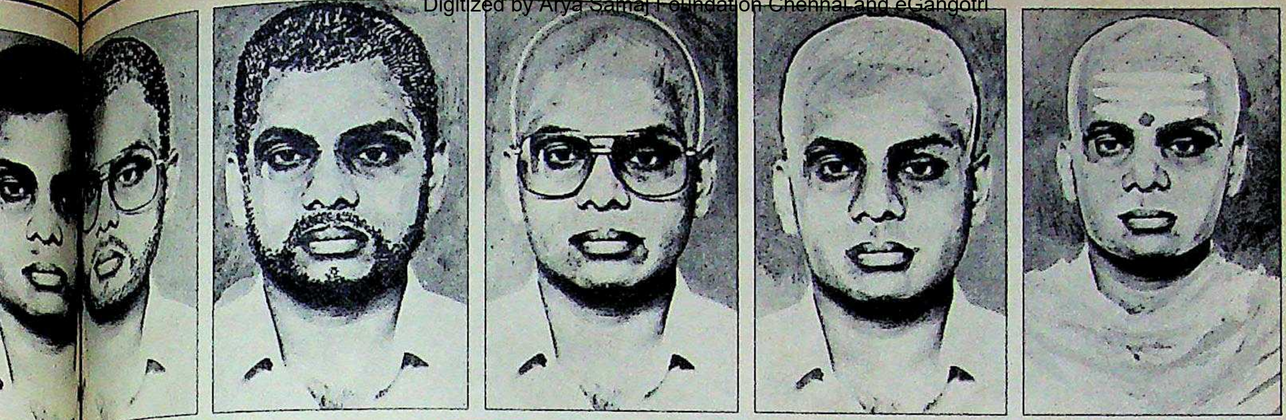
The SIT's confidence that it was only a matter of time before they would nail their prey was based on precisely that breakthrough. Information gained from LTTE members in Tamil Nadu had suggested that 'Jack' was armed with an HF transmitter to communicate with Jaffna. The SIT immediately asked the police network that has blanketed coastal Tamil Nadu and the coastguard and the Indian Navy patrolling the Palk Strait to monitor any high frequency communications.

The breakthrough came in the first week of June when an Indian Navy patrol vessel intercepted a coded communication to Jaffna from somewhere in Tamil Nadu. LTTE 'informers' had already established that Sivarasan carried a transmitter. The problem lay in cracking the code. Luckily, Arivu Perulivalan, who had designed the bomb which killed Rajiv Gandhi, was arrested. His interrogation produced some idea of the kind of code being used by Sivarasan. The intercepted communication was decoded. Sivarasan's message was, in fact, an urgent request for a boat to ferry him across the Palk Strait.

However, the elation in the SIT camp proved short-lived. Sivarasan has not proved a slippery customer for nothing. Somehow, he was informed that his messages to Jaffna were being intercepted and decoded. Instead of ceasing transmission, he used the knowledge to run rings around the SIT. On one occasion, the SIT rushed a 60-man force to Pulicut lake on the Tamil Nadu-Andhra Pradesh border. They combed every inch of the 600 sq km lake only to find they had been handed another red herring.

Further confusion was added by the arrest of two Sri Lankan Tamils in New Delhi last fortnight. They disclosed that their job was to contact another LTTE member in Kathmandu to arrange for Sivarasan's escape. The Kathmandu-based contact, Thyagarajan, has been brought to Delhi for questioning. Thyagarajan is known for his havala-dealing on behalf of the LTTE and the money laundering he has carried out for it in Nepal and Madras. The SIT has established that he was sent to Nepal with the task of handling the flow of funds to the LTTE from Singapore, Thailand and Malaysia. Whether Nepal figures as an escape route or whether it is another red herring remains unclear.

Despite this, the investigators are still optimistic. One reason is that Sivarasan has been forced to ditch his transmitter—the transmissions ceased abruptly some time ago and last week, the SIT recovered parts of the actual transmitter from two Sri Lankan Tamil refugees who were arrested in north Madras. Further, all departure points in the coastal districts used by the LTTE have been totally sealed off. In fact, the arrest of LTTE militant Sankaran at Vedaranyan port provided further cause for optimism. Sankaran, who had been



Sivarasan: the many guises of the chameleon 'One-eyed Jack'

sent to India to kill Varadaraja Perumal, was the one who initially identified the one-eyed Sivarasan from the photographs taken by cameraman Haribabu hired by the LTTE, who died in the blast.

> **One thing is clear: Sivarasan is still inside the country. In evading arrest he has been helped by the extensive network of LTTE hideouts in southern India.**

Sankaran told investigators that Sivarasan was to get in touch with him through go-betweens sympathetic to the LTTE cause. However, according to Sankaran, the LTTE's local contacts were shocked at Rajiv Gandhi's assassination and developed cold feet about giving any help.

MUCH more heartening for the SIT than Sankaran's capture was its dramatic breakthrough in arresting two Sri Lankan Tamils in a Madras suburb and seizing part of the wireless set which Sivarasan had used. Perumal Vijayan, 26, and his 55-year-old father-in-law S. Bhaskaran—both LTTE activists—had come to India as refugees in November last year. With Sivarasan's help, they had rented a house in north Madras.

Their arrest follows the police seizure of several rounds of cartridges used by Sivarasan in his automatic pistol, a container of the explosive used to kill Rajiv, some components of the high-frequency wireless he used for communicating with Jaffna and one of his spare glass eyes. Disappointingly for the SIT, however, other parts of the transmitter remain with Sivarasan. As Vijayan knew Arivu, the investigators suspect that the bomb was designed at Vijayan's house in Madras. The SIT are now hoping that interrogation of the two men will yield further information on Sivarasan's whereabouts and his plans.

Meanwhile, the other key target in the manhunt—Shubha, the standby for suicide bomber Dhanu—is proving equally elusive. The SIT is convinced the two are not together but have very little information on Shubha's movements. Moreover, even if she is caught, the chances of getting anything from her are remote. Being a member of the LTTE's shadow squad, she is known to be a 'cyanide-pill' carrier.

Some of the action in the case is now shifting to the court rooms. Subha Sundaram (one of those arrested earlier) and Arivu have filed petitions against the CBI demanding access to lawyers. In identical petitions, prepared for them by lawyers belonging to the Dravidar Kazhagam (DK), they refer to every person's constitutional right to consult a lawyer. Neither petition was admitted. A special court is also being set up in Madras, meanwhile, to deal with the case. The SIT has its first chargesheet ready but it might take them another month before it is filed before the magistrate who will then transfer the case to the special court. For the moment, though the manhunt is concentrated on 'One-eyed Jack'. The SIT has denied reports that he may have disappeared into Bombay's notorious underworld where many Tamil fugitives wield considerable influence. What they have been able to establish in the course of interrogating 70-year-old Kanaka Sabhapati and teenage girl Thirai—both arrested recently in New Delhi—is that the escape routes taken by Sivarasan and Shubha were worked out at a meeting of the Tigers in New Delhi.

In a bizarre twist, the SIT rounded up yet another Sri Lankan Tamil R. Suresh Kumar alias Shiva and his uncle Meghaja. They were picked up in a Jaipur hotel. Shiva had apparently told the hotel management that he was in the city to have an artificial limb fitted. One of his legs, he told them vaguely, was "missing". In fact the SIT believe he lost it in the bomb blast that killed Rajiv and he himself formed part of the group of nine people who arrived in Jaipur after carrying out the assassination in Sriperumbudur.

The information of their arrival in Jaipur came courtesy Robert Payas, who is under arrest on charges of harbouring Sivarasan. Payas told the SIT that Shiva had been assigned the task of retrieving Haribabu's camera from the site. To do this, he had to ensure that he was close to Haribabu and Dhanu. Hence his extensive injuries and the loss of his leg.

The manhunt for Sivarasan is not confined to India alone. The CBI has enlisted the services of Interpol, the Narcotics Control Bureau, the Royal Canadian Mounted Police and Scotland Yard in London for help in identifying some of Sivarasan's associates. Interpol in particular is concentrating on finding out more about the LTTE's international connections.

The information gathered on the LTTE's contacts and activities abroad will be used to test the theory that a foreign hand might have been behind the plot to assassinate Rajiv Gandhi, with the LTTE as a willing tool. But that is a comparatively long shot. Closing the case will be impossible unless Sivarasan is caught—and questioned. Which is why the manhunt has assumed such overriding importance. ■

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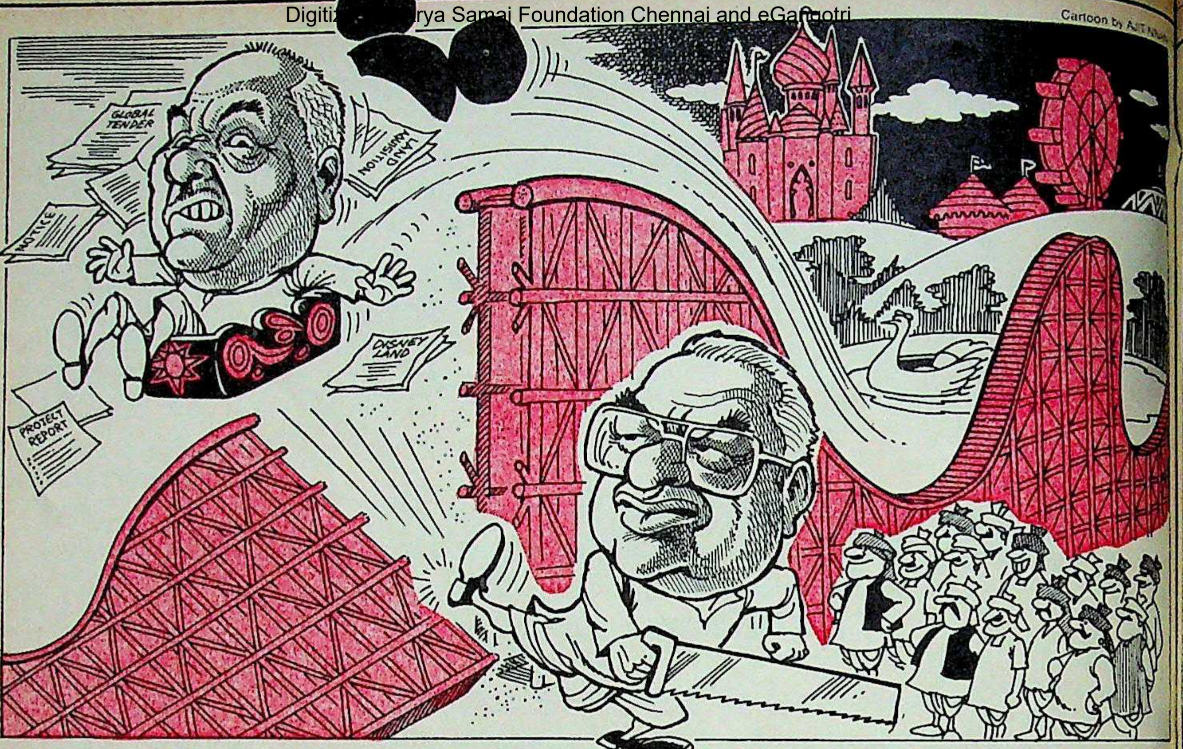
Cartoon by A.T. [illegible]



'DISNEYLAND' PROJECT

Dumping a Fantasy

Bhajan Lal scraps Om Prakash Chautala's controversial amusement park project

By HARINDER BAWEJA and
KANWAR SANDHU

NO spine tickling thrills on roller-coasters and big ferris wheels. Bhajan Lal ensured that Mickey Mouse didn't scamper into Haryana, when on being sworn in as the state's chief minister, the first file he called for was the one on the controversial *desi* Disneyland project. And when with a flourish he wrote, "*Yeh yojna janhit virodhi hai, ise radh kar diya jaye,*" he not only fulfilled one of his electoral promises but also took a political swipe at his predecessor, Om Prakash Chautala, who had been pursuing the project with great zeal, boasting that Disneyland would be made, come what may.

With tremendous alacrity Bhajan Lal went on to inaugurate the Saras Tourist Complex in Damdama, Gurgaon—the very place acquired by the Chautala government for the amusement park. Addressing his first public meeting as chief minister here, he told cheering farmers: "The land will be returned to you within 30 days. The land is yours, you will stay its owners." In place of Chautala's amusement park, the Government has now approved a proposal to set up a water sports complex at Damdama Lake. Bhajan Lal claims the project will help the poor farmers of the region.

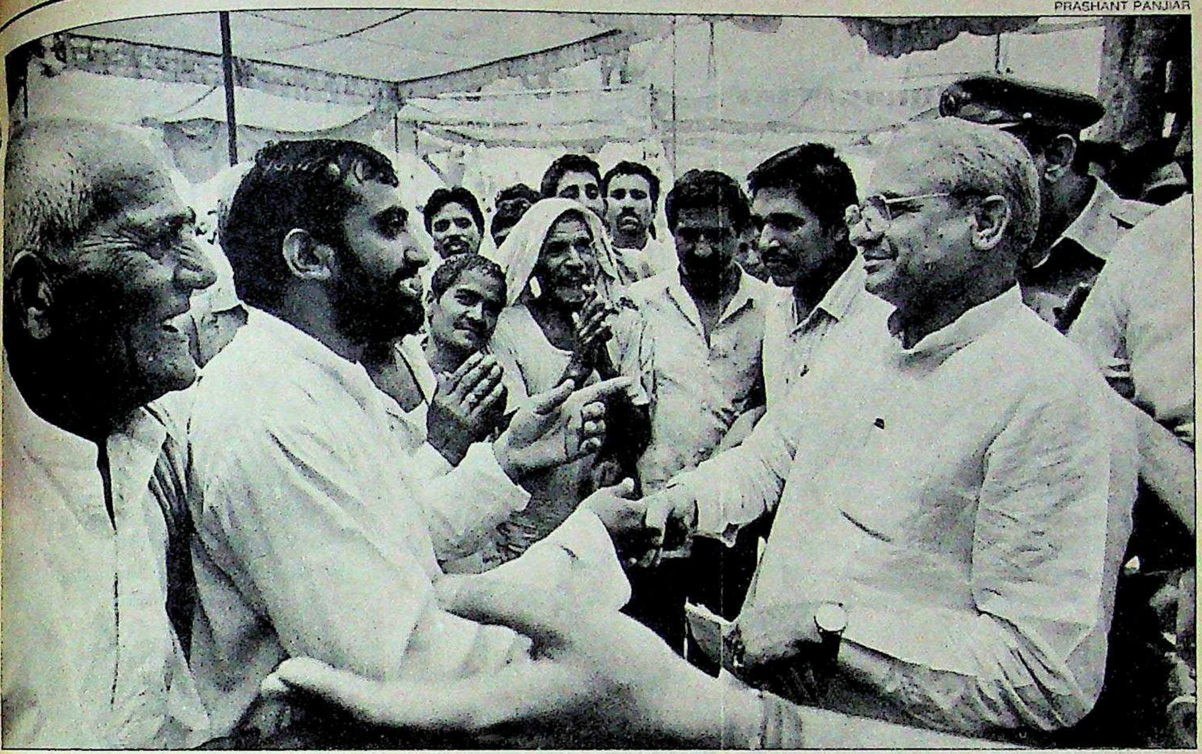
And the farmers are a relieved lot. The 18-month agony over losing their land has ended. In January 1990, the Chautala government had under Section 4 notified 28,341 acres of land, including 14,000 acres of prime agricultural land. But the acquisition stirred up quite a hornet's nest. Rajesh Pilot and Bhajan Lal led many a protest rally against it. Besides, the Disneyland Virodhi Morcha also went on dharna against it. As a result, the area was reduced and only 3,990 acres acquired.

But the opposition to the project continued. Even after the agricultural land finally acquired was reduced to a mere 210 acres. Bhajan Lal dubbed it as the "fraud of the century". Rajesh Pilot charged that Chautala was persisting with the scheme as he had bought land in the names of friends and relatives in the area surrounding the acquired land in the hope that the value would be enhanced because of the project. The local farmers also felt the same way. Chautala's obsession with Disneyland was further suspect because the notification avoided including land belonging to big builders such as Vatika, Ansals and Skippers. Says Chautala now: "Bhajan Lal is only exploiting the situation. I had no personal interest in the project. The idea was mooted by the Congress(I) and now they have scrapped it themselves."

The decision to scrap the controversial project—mooted first by the Congress(I)—came at a crucial moment. The global tenders—issued by the Chautala government in January this year—inviting proposals were awaiting evaluation. Six firms—two from France and one each from Italy and the Netherlands—responded with detailed project reports. The Government then sent out a glossy booklet on the project to 50 foreign embassies in India and 50 Indian embassies abroad. But the replies—sealed by Governor Dhanik Lal Mandal as President's Rule was imposed—may now never see the light of day.

The amusement and theme park, as

PRASHANT PANJIAR



Bhajan Lal with villagers whose land has been restored: new realism

> **Bhajan Lal told farmers that the land acquired by the Chautala government was theirs and would be returned to them within 30 days.**

the project was named by Chautala's government has, in fact, had a chequered history. The first communication dates back to April 16, 1983, when—ironically enough—Bhajan Lal was chief minister. The then Union tourism secretary B. Venkatraman had written to the Haryana tourism secretary B.S. Ojha about a communication received from V.V. Paranjpe, the Indian Ambassador to South Korea, stating that industrialists in Korea and Japan were keen to set up a cultural and tourist centre in the Badkhal Lake area for which 100-150 acres of land were required. But Ojha's reply pointed out the difficulties in providing large tracts of agricultural land.

The matter rested there until December 1986, when it was mooted to set up an amusement park. The file was put up to the then chief minister, Bansi Lal, whose principal secretary, R.S. Verma, recorded on February 3, 1987, in Hindi that the chief minister had approved the project. The project was to come up between Surajkund and Badkhal with an investment of about Rs 40 crore. Advertisements were inserted in newspapers inviting offers for the park by March 15, 1987. A committee was constituted to process the 47 replies to the advertisement—many of the offers were on plain postcards. The process was still on when Devi Lal became chief minister.

In a meeting on June 5, 1989, presided over by the then tourism secretary, B.S. Ojha (now chief secretary), and attended by officers of all the concerned departments, it was decided to shift the venue to Damdama for many reasons including inadequate sub-soil water at Badkhal. It was calculated that while the park will have a static population of one lakh people, the number will go up to 1.75 lakh on week-ends.

It was also estimated that about 2,500 acres of land will be required and most of the *gairmumkin* (uninhabited land) and *bechirag* land (land for cattle grazing) would be acquired. At about the same time fresh global tenders were invited but the response was poor. Eight people responded, among them being M/s Kamineni Enterprises, Hyderabad and M/s Mira Systems, New Delhi.

Soon, three senior officials of the state Government, including Ojha, went abroad to see all leading amusement parks. Among the places visited were Disneyland in California and Disneyworld in Florida. Following the submission of their report, it was decided to enhance the scope of the project. In a meeting on December 26, 1989, chaired by the then chief minister Om Prakash Chautala, it was decided to issue a notification. It was also decided that an amusement park authority would be set up to oversee the project's progress. The project as conceived then was to be based on the lines of Florida's Disneyworld, which is spread over about 27,000 acres. Following the protest rallies, the Government reduced the area. It then decided to have a park on the lines of Euro Disneyland in France, spread over 4,800 acres. But with one stroke of the pen, the dream is now dust.

The symbolism is not lost in Haryana's political circles. The nail Bhajan Lal has hammered into Disneyland's coffin is essentially intended as a signal that Chautala is in political oblivion and the present regime will leave no stone unturned to ensure he remains there. In the broader context, it is also a signal to future Chautalas that those who live by the lathi eventually wind up at the receiving end. ■

Cut with Caution

THE country's economy is in dire straits. Hard decisions are mandatory and nothing should be uncritically retained in the 'holy cow' category. Subsidies that unfortunately subsidise in a purblind way both the deserving and the undeserving; public expenditure in 'make-work' schemes that benefit more the grasping public servant than the indigent; defence expenditure, that is popularly considered unproductive, will all be candidates for the axe. So be it. I hope social theology does not take precedence over common sense in pronouncing a judgement. However, without wishing to protect defence spending from critical scrutiny, I want to suggest a little caution. Our pragmatic reformers, as well as 'bleeding heart' pacifists must squarely see certain basic facts regarding national security before they espouse any corrective action.

Defence expenditure may have doubled between 1976 and 1990 but it has not accelerated giddily. If we cut back on defence, it should be from a position of confidence, as part of an overall agreement with Pakistan and China.

The budget should consider security realities. We have not yet reached the stage where quality is all and quantity does not matter.

Defence expenditure has certainly doubled between 1976 and 1990. But it has not accelerated giddily as one would believe going by figures and graphs of expenditure at current prices, totally ignoring inflation. If you see the charts, you will see this myth in perspective. Our defence expenditure has been remarkably steady between 3 and 4 per cent of the GNP. One must bear in mind that the Chinese defence budget only shows expenditure like pay and allowances of the People's Liberation Army. The cost of hardware is shown elsewhere. Chinese defence expenditure as a percentage of the GNP has fallen. But one must remember that during the same period its GNP went up by 2.4 times, while in the case of Pakistan and India, it went up only by 1.8 and 1.5 times respectively. Therefore, in absolute terms there has not been such a steep fall in Chinese spending.

The chart also shows the number of defence personnel per 1,000 citizens in each of these countries, the number of army soldiers per kilometre of border, the comparative per capita defence expenditure and the comparative naval strengths. I have added Japan, to show that the naval component of the self-defence force of this 'inward looking' and 'peace-loving' nation is at the same parametric levels as that of India, whose navy has been depicted by western propaganda as expanding dangerously and posing a threat to the region!

I do not intend to argue these facts. The facts argue for themselves. However, given the relative spending on defence by these three countries, any reduction on the part of India has to be as a part of an overall agreement on force reduction, arrived at trilaterally. We cannot reduce unilaterally. We can cut back on defence. But this has to be from a position of confidence, after mutual minimum nuclear deterrence is in place; where threats have been reduced, borders settled, and confidence building measures have picked up momentum. We must at least start on this route before deciding on any major slashes in defence capabilities.

I would also like to comment on two viewpoints which claim that the present approach to defence is in any case faulty. The first is that the socio-political fabric of the country is coming apart, and unless more is pumped into social and economic progress, we will have nothing left to defend; and that this extra has to be found in good measure from defence which is a major spender of federal funds. I remember an informal discussion with V.P. Singh when he was the defence minister and I was the army chief. He said that if I could cut back one regiment of tanks, do I realise how many additional primary health centres we could establish. I asked him, if we did indeed reduce 45 tanks, could he be sure that X number of primary health centres would be on the ground and functioning? He replied with his characteristic half-smile: "Well there are friction losses!"

I am not trying to imply that larger investment in improving social conditions is not called for. But I do emphatically demand that other areas of federal spending that can be looked after by private sources of investment, such as the poorly productive public sector, be looked at first, before defence. Defence is squarely a federal responsibility. Defence production may be privatised, but core defence can neither be privatised nor farmed out to state governments. I believe that the answer is to confine the role of government to areas which only it can handle and not try to do everything and cut allocations across the board.

The second argument is a post-Gulf war one. This says that only hi-tech weapons count today, and not numbers. So, we are spending what we cannot afford on something which won't work. We must scrub what we have and produce an effective solution. Therefore, a cut in defence spending now will not jeopardise our security. While there is a kernel of truth in this, it is an over-drawn conclusion. The essence of this argument hinges on the belief that the accuracy and lethality of high-tech weapons have almost totally negated the value of quantity.

The inter-relationship between quality and quantity in war has been a crucial factor especially after the industrial revolution began pushing quality forward by orders of magnitude. Surprisingly, there has been very little theoretical study of this. One exception was a scientist called Lanchester of Britain, who studied this issue and came out with a set of equations which found successful application during the Second World War.

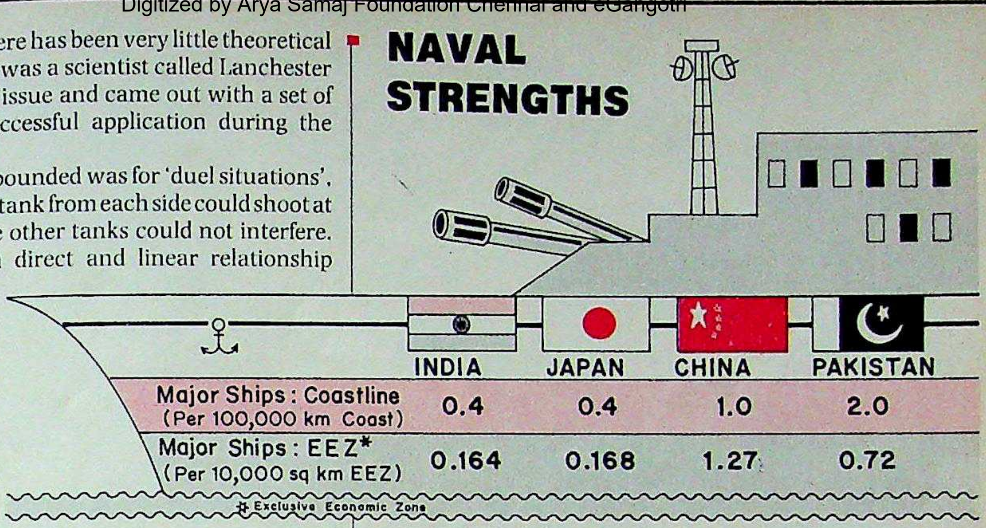
The first law that he propounded was for 'duel situations', where for example, only one tank from each side could shoot at one of the other, and where other tanks could not interfere. This said that here was a direct and linear relationship between quality and quantity. If your tank was twice as good, you could have half as many as the other side, and get the same results. Of course if you wanted to win, you would want an edge. In case of a 'multiple situation', where a number of tanks (or aircraft or whatever) could engage each other, the equation was not that simple. This is the case much of the time, even in a modern war.

THE second law that he laid down was, for this kind of situation you had to be four times as good for a two-to-one chance of success. In other words, numbers will still count, though not to the same extent. Today the question is, to what extent has the second Lanchester law to be modified in the light of the further increase in the accuracy and lethality of current weapons systems? The trouble is that we are trying to extrapolate from the result of a fight between a hi-tech elephant and a lower-tech animal which was fairly large, but flabby, ill-managed and what is most important, very reluctant to fight. Most non-perceptive analysts tend to credit to hi-tech a fair amount of what was the result of Iraqi ineptitude.

One analyst has suggested that the lessons of the Gulf war indicate that a small country, say Singapore with hi-tech weapons and notwithstanding its minuscule population, can stymie a large country like Indonesia, if the latter cannot field systems that are technically at par with Singapore's. This is too simplistic. Even with a fair degree of technological advantage, a small force can be swamped and overwhelmed by a much larger force that is determined and is prepared to accept a higher than normal rate of casualties.

The analytical speculations that are being so confidently touted as conclusions drawn from the Gulf war are based on only one of a whole spectrum of possible results. The outcome would have been different if any of the variables other than technological levels had undergone change. For example, let us look loosely at just one of the potential variables—strategic handling. If Saddam Hussain had gone into Saudi Arabia immediately after invading Kuwait and had secured the ports and airports, the US build-up would have involved opposed landings and the ball game would have been very different. If one wants to complicate the issue still further, just assume that Iraq also possessed a few nuclear weapons!

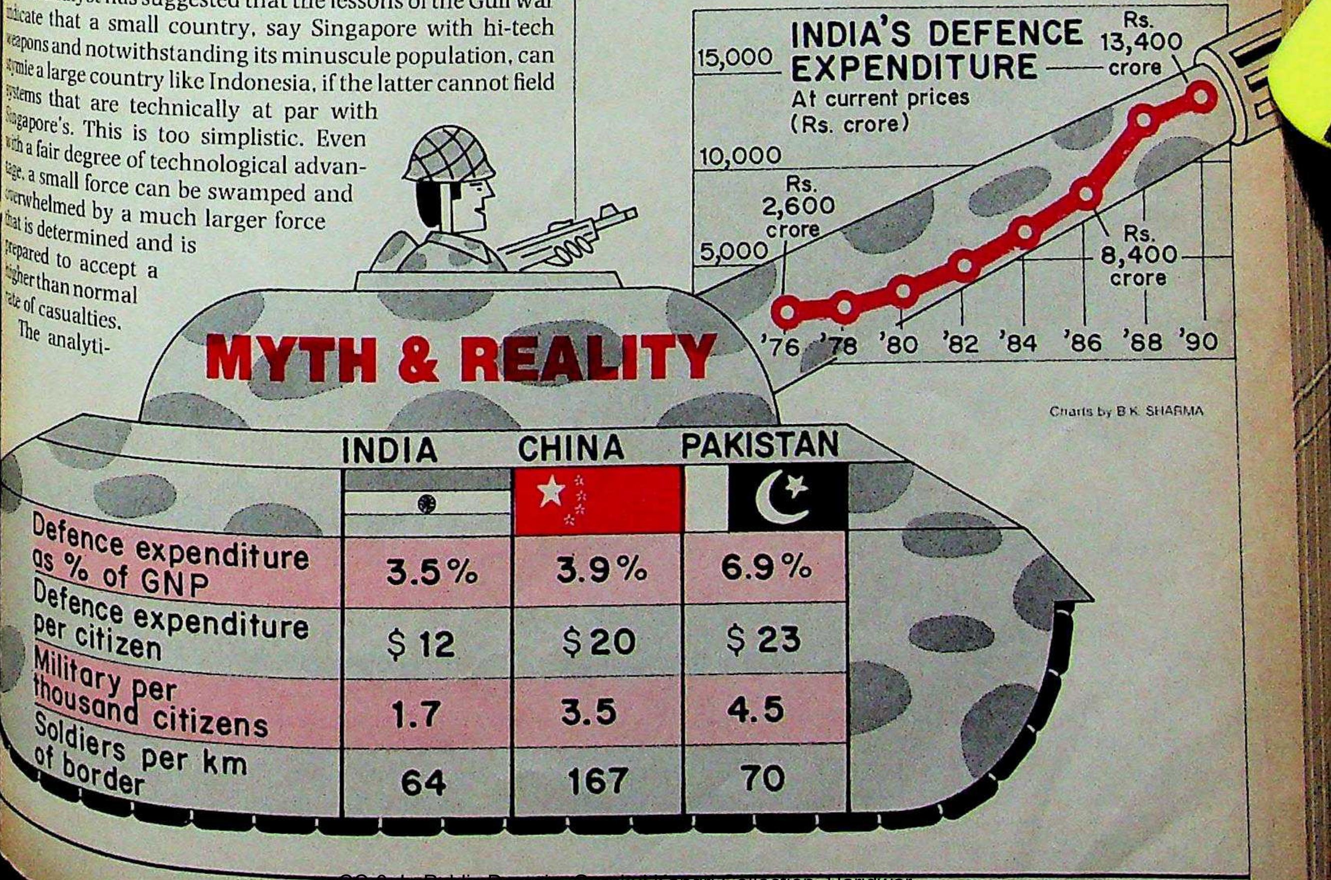
My own judgement is that we have not reached the stage as yet where quality is all that is important and quantity does not matter. I only hope that the budget takes into account national security realities.



NAVAL STRENGTHS

	INDIA	JAPAN	CHINA	PAKISTAN
Major Ships : Coastline (Per 100,000 km Coast)	0.4	0.4	1.0	2.0
Major Ships : EEZ* (Per 10,000 sq km EEZ)	0.164	0.168	1.27	0.72

*Exclusive Economic Zone



MYTH & REALITY

	INDIA	CHINA	PAKISTAN
Defence expenditure as % of GNP	3.5%	3.9%	6.9%
Defence expenditure per citizen	$ 12	$ 20	$ 23
Military per thousand citizens	1.7	3.5	4.5
Soldiers per km of border	64	167	70

INDIA'S DEFENCE EXPENDITURE

At current prices (Rs. crore)

Charts by B.K. SHARMA

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INTERVIEW OF THE FORTNIGHT

R.K. DHAWAN

"Sonia should join politics"

THE most powerful man in the Gandhi durbar, R.K. Dhawan, 54, has with the assassination of Rajiv Gandhi, lost his 'mentor' and thus his political clout. Sidelined by the new Government, he spends most of his time at home. A subdued Dhawan spoke to Senior Correspondent HARINDER BAWEJA. *Excerpts:*

Q. *You've always said your main aim is to serve the Gandhi family. How does it feel now that both Mrs Indira Gandhi and Rajiv are not there?*

A. It was and still is my only ambition. I am not a time-server. My commitment is to the family, not to their status. I continued to serve Mrs Gandhi when she was not in power. Now Mrs Sonia Gandhi's family is there. The same equation continues today.

Q. *Do you feel politically orphaned?*

A. Yes, I do, because the Gandhi family knew my worth while the others haven't got a chance to judge me.

Q. *In what capacity are you serving the family now?*

A. I'm always available for any service that Mrs Sonia Gandhi or the children want. Whether she joins politics or not, my commitment remains because she belongs to the family.

Q. *Since Rajiv's assassination, has she asked you for anything?*

A. There has been no occasion for them to ask for anything particular. I've met her and told her that any time, by day and night, I am there.

Q. *Is there any likelihood of Sonia joining politics?*

A. I personally think she should, to keep the family name alive.

Q. *Has Sonia ever revealed any political inclination?*

A. I don't think she has any attachment to politics. I've never, in my short spell with Rajivji, seen her interfering.

Q. *But for your own survival you wanted her to become party president.*

A. I've said I will be with her, so where is the question of survival? And even if she were to enter politics, it is not necessary she would give me a position of power. It has never struck me that if she joins politics I will remain in power.

Q. *Parallels are also being drawn between Priyanka and Mrs Gandhi.*

A. She's never expressed any desire to join politics. She has shown Mrs Gandhi's grit and determination. The upbringing and family background does have an effect.

Q. *Do you still see politics as a career?*

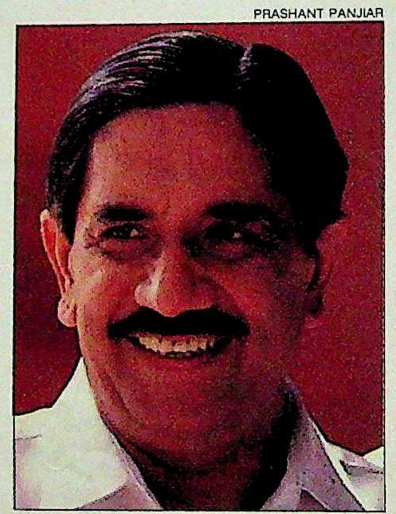
A. I've never bothered about the future. Whatever is destined, happens.

Q. *While some members of the coterie like M.L. Fotedar and Sitaram Kesari have been accommodated in the Cabinet, you have been left out.*

A. The words coterie, syndicate and kitchen cabinet are plain imagination. I've seen Rajiv Gandhi as prime minister, and everybody had direct access to him.

Q. *But you were part of the inner circle.*

A. Who says there was only one circle? There were many groups, many circles. I was in one of them. I was present when Rajivji used to be in consultation with Kesari, Fotedar and others. And often, I was not there at all. So what is this coterie business?


PRASHANT PANJIAR

Q. *The question still remains that you have not been accommodated.*

A. It's the prime minister's prerogative. Besides, 57 people have been made ministers, why are you picking only two.

Q. *What is your equation with P.V. Narasimha Rao?*

A. He's a senior and respected leader. Indira Gandhi and Rajiv Gandhi respected him, so naturally I also respect him. He is the prime minister. I will abide by any directive he gives.

Q. *The Congress(I) is without a leader of stature and there are signs of dissent in the party.*

A. It can't be helped that there's no leader of the Gandhis' stature. But you can't say Narasimha Rao isn't a man of stature. He's been Andhra Pradesh chief minister and was a key member of Mrs Gandhi's and Rajivji's cabinets.

Q. *You say there are leaders of stature in the party, yet you feel Sonia should enter politics?*

A. There is no contradiction. I'm not saying Soniaji should join politics because there is no leader of stature. She has observed both Mrs Gandhi and Rajivji as politicians. If she enters politics, she will definitely strengthen the party. The people of this country, after all, love this family.

> "I feel politically orphaned because the Gandhis knew my worth and work."

Q. *Sycophancy is rampant in the Congress(I). Do you attribute this to the dynastic culture?*

A. How do you say it is dynastic? Indira Gandhi became party president in 1959. Did she not work hard and contest the elections? Tomorrow if Soniaji contests and is elected, again you will say it is dynastic. If people don't want her, let them defeat her.

Q. *Who did you enjoy working with more—Mrs Gandhi or Rajiv?*

A. When you work for somebody with a mission, it is immaterial whether you are enjoying it or not. I was dedicated to the family and I never bothered about what I got in return.

Q. *What has made you so dedicated to the family?*

A. I myself don't know. Maybe it was a *poorv janma sambandh* (connection from a previous birth).

Q. *If offered, will you work with Narasimha Rao?*

A. If is a very big word.

CIVIL AVIATION SECTOR

Taking-off Trouble

The minister is in for more than his share of problems

FOR Madhavrao Scindia, running the country's civil aviation sector should be easy. After all just two years ago as minister of state for railways, he successfully headed an institution that catered to 11 million passengers daily. Now his task is infinitesimally smaller: keeping a mere 30,000 passengers happy everyday.

But as Scindia is fast discovering his new job as Union minister for civil aviation and tourism is turning out to be far bumpier than he imagined. In his usual cautious way last week he told INDIA TODAY: "You may cater to less people but these are very vocal, discerning passengers with a much higher level of expectation. And they are opinion makers. It's a challenging job."

That's putting it mildly. The 46-year-old ex-prince takes over at a time when most organisations under the aviation sector are either in a mess or well on their way to becoming one. "Last year has been a traumatic one for all our airlines," admits A.V. Ganesan, civil aviation secretary. Adds he: "And now we have to make quick, tough decisions otherwise things will get worse." And as Scindia held a series of meetings with top aviation officials last fortnight, he was confronted with some daunting tasks ahead of him:

- ▶ On top of the list is a decision on whether to shut down the haemorrhaging Vayudoot that is now in the red by Rs 125 crore.
- ▶ Over 40 per cent of Indian Airlines (IA) flights were delayed last month. And this year it declared a loss.
- ▶ At Air India, the maharaja's ageing fleet needs immediate modernisation. And a long pending decision on who should be its chief.

Among the first problems that Scindia addressed was how to get IA cracking again. The airline has never really recovered from the Bangalore crash involving the Airbus A 320 last year. With the V.P. Singh government first grounding the remaining fleet of 18 aircraft and then waffling for months over its re-induction, IA's profitability took a beating. Stuck with loan repayments for the aircraft and revenues down by half, the airline in March declared an overall loss of Rs 82.75 crore.

Despite having the A 320s back in the fleet from November, only 12 of the 18 are being flown because the rest don't have pilots to man them. With the training programme for pilots only now getting underway, the remaining six will not be operational till December. That means more loss for the airline and more complaints from passengers about over-booked flights.

Worse, punctuality is now, as retired Air Marshal S.S. Ramdas, IA's chairman and managing director, puts it, "a household joke". At the best of times the airlines record stood at 70 per cent of the flights running on time. But in June, 40 per cent of IA's flights were delayed, a fifth for over two hours. "We are plagued with serious problems and we have to set our house in order," says Ramdas. "The bottom-line is we will just have to get out of the red."

Getting out of the red now seems well nigh impossible with the Government likely to hike fuel costs after the devaluation of the rupee. IA itself estimates that it is likely to declare a loss of Rs 60 crore in the current financial year. Adding to the airline's woes is that relations with its employee unions are highly strained. In fact, much of the delay in flights has been because of go-slow tactics adopted by its flight engineering staff. The engineers have been demanding salary parity with Air India and the management has so far not yielded.

Sensing that any drastic change would require the co-operation of the staff, Scindia in his initial meetings was conciliatory. Said he: "Any reform is a two-way street. The staff have to put their shoulder to the task and try and do their best to improve the image of the airline. But the management must care for them." He was, however, tough on quality of service to passengers and punctuality. Delays had to be cut down drastically, he told the staff.

While he may meet with some success in sprucing up IA, Vayudoot's problems are intractable. Its fleet of 17 aircraft, consisting mainly of Dorniers and Avros, would not help the airline break even, even if they ran full because their running costs are exorbitant. Despite shutting down half the 104 stations it

INDIAN AIRLINES	AIR INDIA	VAYUDOOT
■ 40 per cent flights delayed. ■ Expected to lose Rs 64 crore this year. Six A320s still lying idle. ■ Union problems.	■ Half of its fleet more than 14 years old. ■ 15 per cent flights delayed. ■ No permanent chief for a year.	■ Accumulated loss: Rs 125 crore. ■ Half of its 1,850 workforce now redundant. ■ Unviable with present fleet.

Cartoon by AJIT NINAN and Chart by B.K. SHARMA operated earlier, it is still losing Rs 3 crore every month. And with 1,850 people on its rolls, it is now highly overstaffed. "It's a disastrous situation," says Ramdas who also heads Vayudoot.

THE decision to shut down the airline has now been staring Civil Aviation Ministry officials in the face for months. The buck has now been passed to Scindia who confesses it's still "early days" for him to take such a major decision. The plan being considered is to shut down the airline temporarily. Its fleet would be hawked to private airlines with a proviso to absorb some of the staff. The rest would be given a 'copper' handshake. More viable aircraft may then be bought and Vayudoot operations would be restricted to sectors like the North-east. "One thing is clear, Vayudoot can't continue to run the way it has been, says Ganesan firmly.

Nor can Air India. But for different reasons. There's been a desperate need to modernise its fleet but for the past year a decision to purchase four Boeing 747-400s at a cost of Rs 1,600 crore has been held up at the cabinet level. Its existing nine Boeing 747-200s that form the backbone of its fleet are an average of 14

INTERVIEW

"We need team spirit"

PRASHANT PANJIAR

AFTER his successful stint as minister of state for railways two years ago, much is expected from Madhavrao Scindia, 46, the Union minister for civil aviation and tourism. Last week he spoke to Special Correspondent RAJ CHENGAPPA *about some of his plans. Excerpts:*

Q. ***The aviation sector is in a mess. What do you plan to do about it?***

A. I won't say it is in a mess. And it's a bit too early to make comments. Basically, I think that there's a lot of scope for improvement in both Indian Airlines and Air India. We have some problems but we have a lot of talent too. What we need is team spirit and a feeling of pride in the organisation.

Q. ***Around 40 per cent of the Indian Airlines flights, for instance, were delayed last month.***

A. Maybe we have overstretched ourselves a bit. Before we spread our net wide, we must ensure that whatever services we are giving our customers should have a stamp of efficiency. I'm sure the men are capable of providing a first rate airline. I would prefer to have that than pushing things to impossible

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ts and having a third rate airline.

Q. *Right now the passengers are getting a raw deal.*

A. I've told them to see that all irritants are removed from the passengers' path. But let me add, we can't make changes overnight. Many things have to be put into place. But we are determined to improve.

> "We can't have changes overnight. But we are determined to make improvements."

Q. *What about Vayudoot?*

A. Vayudoot is making a loss of almost Rs 3 crore a month. And I really don't think one can keep running an airline in this manner. It's a very severe drain. There was a proposal to wind it up. That's one option. The second option is to try and see if we can restrict the services to sectors like the North-east. The third option is to improve our fleet as the present one of Dorniers and Avros has an impossible break-even level at today's fares. You end up with a ludicrous situation where in an aircraft with 20 seats, you have to take 10 people standing to make it break even!

Q. *Air India too has been complaining of an ageing fleet.*

A. Normally airlines abroad have a fleet-life of an average of eight to nine years. Our average is more than 14.5 years. This is certainly out of line as it affects financial viability. We should maybe think of a policy change on this. For instance, we know that Singapore Airlines phases out its aircraft every six to nine years. We've got to look, mind you, at the marketability of it.

Q. *What's your opinion on the business of having an acting chairman?*

A. The practice of having an acting chairman is unhealthy as he can't carry the same authority as a permanent one. It also reflects very poorly on the administration which seems unable to make up its mind. But now a decision will be taken soon.

years old. "These have been putting a tremendous strain on maintenance and are proving costly," says Subash Gupte, Air India's acting chairman and managing director. That has also seen flight delays rise to 10 to 15 per cent of services—far above the average for international carriers.

Scindia himself was shocked at the haphazard planning for augmenting and modernising the fleet for both airlines. Currently as Ganesan points out: "Purchases take place in fits and starts interspersed with long periods of dormancy." The new minister is keen on doing what the best in the business do: maintain a young fleet by hawking aircraft when they get to be six years old. And buying the latest offered.

In a ministry notorious for its indecision, Scindia's success would, in fact, lie in his ability to speed up things at his level. For instance, there has been no decision for nearly a year as to who should head Air India. Gupte is only an acting chief.

Clearly, if the Civil Aviation Ministry chugs along at the same pace, it would prove disastrous. On Scindia's athletic shoulders now rests the task of steering it clear of the present dangers.

—RAJ CHENGAPPA

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The bank's London office

BCCI

A Dramatic Downfall

Closure of premier bank creates a wave of panic

WHEN the Bank of England moved at 1 p.m. on Friday, July 5, and closed down the Bank of Credit and Commerce International's (BCCI) global operations, a pioneering financial citadel built on Pakistani and Indian entrepreneurship and Arab money crashed like a house of cards. It was one of the world's worst financial disasters.

The BCCI was special. It first penetrated jealously guarded European and American finance, and then competed with more established western banks, eventually owning some of them. It also became one of the world's largest private banks, operating 414 branches in 67 countries with total assets of around $20 billion.

But the BCCI's motives and banking practices have always been suspect. Its assets raced ahead from a mere $10 million at its September 1972 founding to a massive $20 billion frozen world-wide 19 years later. However, its viability always caused considerable concern.

The fall-out of the closure: in India the country's solitary branch in Bombay closed shop along with others in over 60 countries. In Britain alone 25 branches were closed and 1,20,000 accounts frozen. These were worth £250 million. Another £500 million were apparently held by overseas depositors. Thousands of South Asian businesses were crippled. Indian restaurants did not have the money to buy provisions.

The closure took everyone by surprise. Staff in Britain returned from lunch to find their bank had shut, their jobs disappeared, and the building about to be padlocked. "I am totally shattered," said Runi Khan, a Bangladeshi who had served BCCI for 16 years in London. "We were given half an hour to clear our belongings. We could not even draw our June salary." In Abu Dhabi, depositors' collected outside the head office on Hamdan Street every day and stared at a notice saying the bank would be

COUNTDOWN TO DISASTER

1977: Abedi helps Saudi partner Ghaith Pharaon buy troubled National Bank of Georgia (NBG) from Bert Lance.

1978: BCCI officially prevented from buying Financial General Bankshares (FGB) of Washington. Abedi hires Clark Clifford, ex-Defence Secretary.

1982: BCCI finally acquires FGB, renamed First American Bankshares (FAB) with Clifford as chairman.

1983: BCCI buys a Colombian bank with branches in drug centres of Medellin and Cali.

1985-87: BCCI accused of laundering $ 32 million in drug money including that of Manuel Noriega.

1986: FAB buys NBG from Pharaon.

1988: Florida court indicts BCCI for laundering drug money. BCCI official admits Abedi owns FAB.

1990: BCCI pleads guilty to laundering drug money. Pays $15 million fine.

closed until further notice. Said an NRI businessman with his savings and establishment's bank account at BCCI: "As a businessman I have issued cheques for the business and some are already due. What can I do? Where will I get the money to pay my staff?"

In Bahrain and Oman too the bank suspended operations. However, the three BCCI branches in Pakistan were kept open on orders of the Government anxious not to disturb operations. Nevertheless, anxious depositors withdrew the maximum permissible Rs 1 lakh.

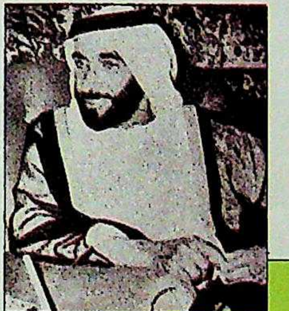
While no one had expected the controversial bank to shut, some depositors were still nervous. Three days before BCCI's closure, an Asian businessman from New York flew to London to withdraw £50,000. The man had read an American magazine story saying that BCCI was in deep trouble. Runi Khan reassured him his money was safe, and told him that BCCI had talked to the Bank of England. The new plan was to split BCCI into three separate banks—the Commercial Bank of Europe, the Commercial Bank of Asia Pacific and the Commercial Bank of the Middle East. Only BCCI's US operations, where it had been fined $15 million for drug laundering, were to be shut down. The businessman was persuaded not to withdraw his deposit. "He will kill me if he sees me," said Runi Khan.

BCCI sources revealed that some overseas depositors may lose as much as £5 million. Under a bank guarantee scheme, depositors can expect to receive a maximum of £15,000.

According to Praful Patel, a financial consultant in London, the Indian Government also faces a crisis. Patel estimates that NRIs may hold anything between $1 billion and $2 billion in BCCI accounts, a small portion of which is in India. "Will NRIs get their money back?" asks Patel. "The Indian Government has always pledged that NRI money in India is safe."

Since the day it was established in 1972 by a dynamic Lucknow-born Pakistani banker named Agha Hasan Abedi with a $2.5 million contribution, BCCI had acquired an unsavoury reputation. The upstart South Asian bank cocked a snook at western banks, and took advantage of the Gulf oil boom to attract vast amounts of middle eastern money. And that of thousands of South Asian businesses and individuals.

On the other hand, there was irrefutable evidence that BCCI was using unconventional banking methods. Personal banking reached new heights as women and hospitality, not to mention banking services at the oddest hours and places, were made available to major clients. Important people world-wide were cultivated with unsecured loans and even outright grants.



BUT evidence was inconclusive until the US Government caught nine BCCI employees laundering drug money, including that of the Colombian cartels and ex-Panamanian strongman General Manuel Noriega. In India's lone Bombay branch, its officials were charged with granting $2,32,000 under the Foreign Travel Scheme (FTS) to fictitious passengers. As Verghese Varkki, a financial adviser in Luxembourg (which headquartered BCCI before its shift to Abu Dhabi) observed: "BCCI's problem is that its global strategy lacked responsible professionalism."

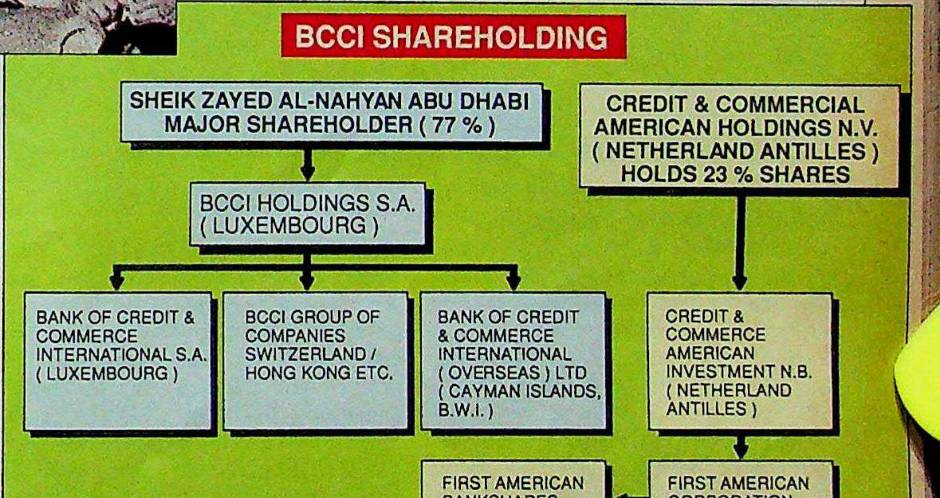
Despite startling banking methods and eventually because of them, BCCI incurred financial losses. It also began fudging accounts. And in 1988 Abedi and his mainly Pakistani cronies lost control, after being implicated in several drug money laundering and influence peddling schemes. Abedi then went into semi-retirement in Karachi.

The white knight here was Abedi's old friend, UAE President and Abu Dhabi's Sheikh Zayed bin Sultan al Nahyan. By last year he had pumped in nearly $1 billion for a 77-per cent stake. Last year the bank lost $498 million. This year could be worse.

Why did the Bank of England act when it did? Rumours of BCCI's illegal activities had been floating around for years? Robin Leigh-Pemberton, the governor of the Bank of England, who ordered the crackdown, said he required "hard evidence" before he could act. This was provided in an as yet unpublished report by BCCI's auditors, Price Waterhouse. "BCCI branches," he said, "have made mistakes both in lending and in treasury and in order to cover up those you may have to go into false accounting and fraud". The suspected fraud, he added, had been "large, extensive and going on for a long time".

BCCI officials in the new Abu Dhabi headquarters insist the alleged discrepancies discovered by the auditors dated back seven years. They expressed surprise at the timing of the Bank of England's move since it had specifically agreed to a restructuring plan which involved a firm pledge of support from the Abu Dhabi Government.

Chart by B.K. SHARMA


BCCI SHAREHOLDING
SHEIK ZAYED AL-NAHYAN ABU DHABI MAJOR SHAREHOLDER (77 %)
CREDIT & COMMERCIAL AMERICAN HOLDINGS N.V. (NETHERLAND ANTILLES) HOLDS 23 % SHARES
BCCI HOLDINGS S.A. (LUXEMBOURG)
BANK OF CREDIT & COMMERCE INTERNATIONAL S.A. (LUXEMBOURG)
BCCI GROUP OF COMPANIES SWITZERLAND / HONG KONG ETC.
BANK OF CREDIT & COMMERCE INTERNATIONAL (OVERSEAS) LTD (CAYMAN ISLANDS, B.W.I.)
CREDIT & COMMERCE AMERICAN INVESTMENT N.B. (NETHERLAND ANTILLES)
FIRST AMERICAN BANKSHARES (WASH. D.C.)
FIRST AMERICAN CORPORATION (WASH. D.C.)

Significantly, Abu Dhabi was not consulted about the closure. Sheikh Zayed, who quickly left for Europe to salvage his money and pride, is believed to be furious. His advisers were holding talks in London with the Bank of England. The Sheikh was being urged to make good any losses. Meanwhile, British officials announced measures aimed at helping affected Asian businesses. Other British banks were asked to help.

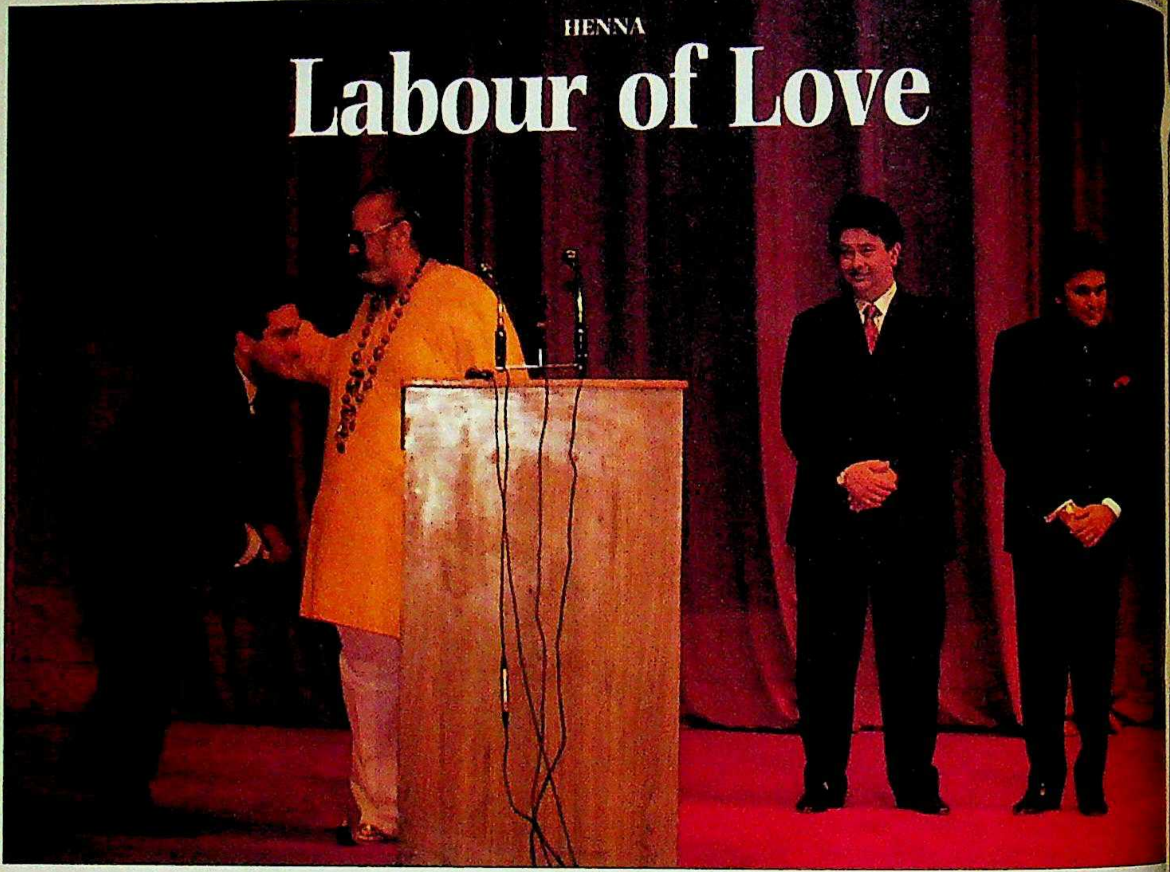
Now extremely ill despite a heart transplant, the 73-year-old Abedi is still in Karachi. Though he has nothing more to do with the destroyed bank, its fate should certainly sit heavy on his conscience.

—ARUN CHACKO with AMIT ROY in London and ABE THOMAS in Abu Dhabi

PRAMOD PUSHKAR

HENNA

Labour of Love



The Kapoor clan at the premiere

THE story is built around a river, the Jhelum, that starts in India and flows into Pakistan. This part of the country is Hindu, but the moment you go to that part, it becomes Muslim. Why? Because man has divided it. But can you divide love?... This is basically the theme of the film I intend to call Henna."
Raj Kapoor, 1987

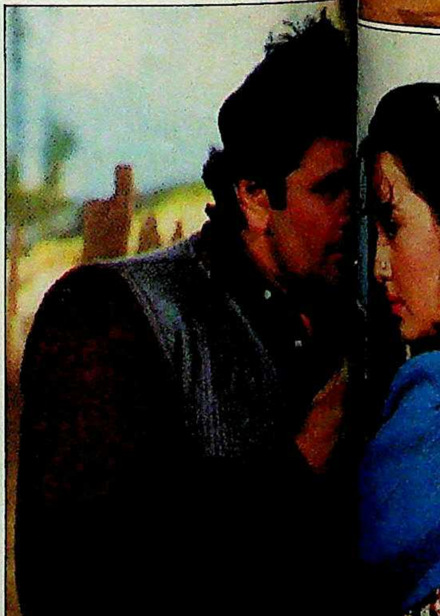
FOR nearly two decades, the showman carried around Henna as an idea, as a dream. A hide 'n seek muse which tantalised while the cameras rolled elsewhere. And then Raj Kapoor died. But the dream lived on. It was the intangible legacy the film maker left his three sons. In the film *Henna* released last fortnight, the three Kapoors have, with the help of their father's old team, translated his dream onto celluloid.

Bravely, because it was something their father could not do. Raj Kapoor searched but could not find a heroine to incarnate the Henna in his mind. He found Padmini Kolhapure. But she was not Henna. So, he made *Prem Rog*. Later, he found Mandakini—Henna had eluded him again—and he made *Ram Teri Ganga Maili*.

All the while the Jhelum flowed on, quietly in his mind—subterraneanly—while the sullied Ganga frothed on screen. Once the Ganga had stilled and the near-empty coffers of the RK empire flowed over with the success of *Ram Teri Ganga Maili*, Raj Kapoor was left again with Henna. The idea of Partition was something this man from Peshawar could not ever reconcile himself to. Love, like the Jhelum or the grazing animals who quotidianly cross the borders between India and Pakistan did not, he once said, recognise any borders.

Raj Kapoor's place as the arch priest of screen passion is so firmly established that anyone attempting to step into his shoes has an impossible task. Wisely, his eldest son Randhir Kapoor, 44, who inherited the director's baton, has left what father knows best to father. He has skirted passion and sublimated sensuality. "I tried to keep the Raj Kapoor spirit. Everybody is not a Raj Kapoor," says he.

What Raj Kapoor had left behind when he died in 1987 was only the title, the story and two songs: *chitti* and *mai der karta nahin hoon, der ho jati hai*. Music was the soul of an R.K. film, his very being. And the Kapoor brothers have incorporated a song at every twist and turn. But apart from



the two songs that Raj Kapoor himself recorded, none of the others has that epiphany or flow, that ability to move 's soul. Papa Kapoor left behind the structure. The sons filled in the rest of the details. As the younger Kapoor succinctly puts it: "It's almost as though Raj Kapoor made the structure of a five-star hotel with 20 restaurants and a thousand rooms. We have only completed the building and done the interior decoration.

The film for the brothers Kapoor is a "tribute to Raj Kapoor". "When Papa passed away, they jeered at us," says Rishi. "We wanted to keep the RK banner alive, standing and even higher," adds Randhir.

IT wasn't easy. The Cassandras of the film industry labelled the film a non-starter. The last of the great showmen was *sui generis*. There was even talk about RK Studios changing hands. And then there was the biggest challenge: to find Henna. "I wanted an actress like the yester-year heroines, with that old world feel," says Randhir. Instead, "all the girls who came for a screen test looked as if they had walked out of the pages of *Vogue*, with that wet gelled look and orange-glazed hair".

Rishi and Randhir at Faisal Mosque; (left) a still from Henna

Finally, it clicked, and instantly. Hasina Moin, a Pakistani script-writer suggested Zeba Bakhtiar, a Pakistani actress who had done a teleplay. One screen test and Randhir Kapoor had his subcontinental Heidi of the mountains.

In this actress, who looks like a part of the Kapoor clan with her alabaster complexion and rounded features, the Kapoors had the key to the film. Zeba could easily play nature's child. The child-like innocence and spontaneity come through on screen. The role of Henna—the daughter of a nomadic tribe elder, admirably played by Saeed Jaffrey, falls in love with a young amnesiac from across the border—could so easily have been false. "I just kept telling her to be natural," says Randhir.

The next problem was the second lead heroine. Marathi actress Ashwini Bhave came in at the eleventh hour. With her screen presence Bhave gives the role substance. The components of Papa Kapoor's dream were finally falling in place. But the location was to prove elusive. Raj Kapoor had wanted to film in Pakistan. The sons wrote to the Pakistani Government while Benazir Bhutto was in power. But when no replies were forthcoming, Randhir began to film in Manali.

"Pakistan"—and Kashmir at that—was "assembled" in Manali and Austria. "We are dream merchants. We are allowed a little jugglery, a little magic of illusion," says Rishi. But even magic needs a bit of the real stuff. So, he asked the Pakistanis once again. This time, it was the green signal—Nawaz Sharif was in power. But it was a little too late. "Had we got the permission earlier, we would have shot 90 per cent in Pakistan," explains Randhir. But for that touch of reality, they did go to Islamabad. "We wanted to say truthfully that the film was made in Pakistan." Hence the shot of the landmark Faisal Mosque where General Zia-ul-Haq is buried.

Certainly, the Kapoors have trodden mined terrain. It *is* Kashmir they are talking about. There is even a map over which the injured hero floats in the dramatic scene when the strong currents of the Jhelum, into which he has fallen, carry him to Pakistan. The symbolism is unmistakable: a stone split right in the middle is shown at the point where the Jhelum flows into Pakistan. But the message is so clearly one of humanism and, above all, of love.

Raj Kapoor might not have been behind the camera this time. But some of the Kapoor elan is there. "We stuck out our necks for the film," says Randhir. *Henna* cost about Rs 4 crore. For the credit titles, they asked M.F. Husain to do a series of paintings which may not be outstanding but are presentable. Radhu Karmakar's camera has lovingly caught the Manali landscape and the breathtaking Austrian country side.

The showman, then, is still taking his bows. As ghost-director perhaps. And even ghost-writer. While the Kapoor brothers talk, their sister Ritu reads out their father's words from the galley of her book on him which is being published by the Soviet Union this winter. The words uncannily complement what his sons are saying.

For Raj Kapoor, Henna symbolised something which gives its own colour to others and fades away—Henna in the film sacrificing herself for the hero. Similarly, Raj Kapoor, before the last fade-out, passed on his palette to his sons.

—MADHU JAIN

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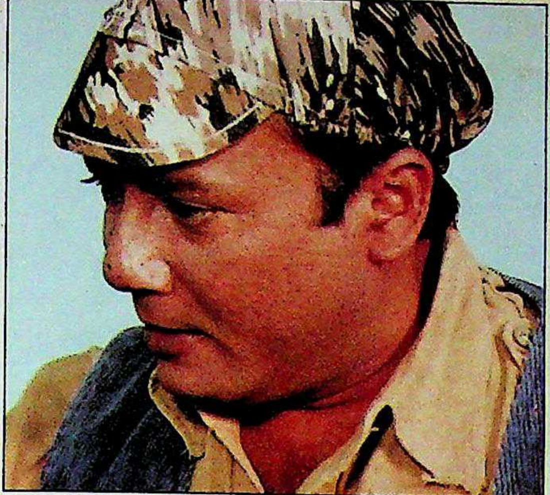
◆ If there's one programme the DD men have a complex about, it is *The World This Week*. It's their torch bearer: anything new has to live up to it, whether it is the proposed series on science or the much-mused over plans to start *India This Week*. This programme almost got off ground last year—ironically called *Indradanush*. But the DD men couldn't get their act together. The new minister now wants to resurrect the idea from Mandi House's growing archives of misfired ideas. The only hitch is: who'll do it? The ministry is planning to ask independent television companies to produce the programme but with DD staff—as was done during the election coverage.

◆ The first episode might have been a trifle elusive. But it's good to have Pankaj Kapoor—though sadly without his "Shut up, Kitty" and carrots—back on the box in the title role of *Phatichar*. The freckled actor now goes comic in Anil Chaudhuri's unusual story about a character who escapes from the pages of a book being written and continues life out of print. While the story appears to cater to the common man's fantasy, there's a subtle social message being given: the down-and-out Phatichar helps those further down the distress ladder. There's something of the sad clown do-gooder in Phatichar. At the end of the first episode he makes his home in a concrete pipe, setting the stage for pipe dreams. At least, DD is getting a little off the ground in the new comedy series which takes place mostly in the realm of the imagination.



▲ **Pankaj Kapoor in *Phatichar*: pipe dreams**

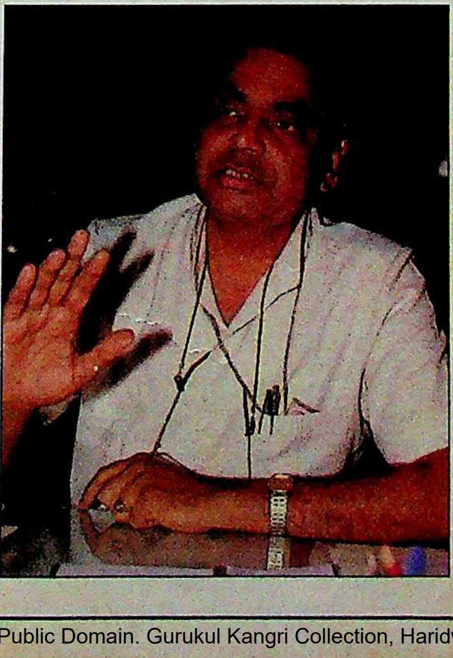
▲ **Ramdas Padhe in *Garbar Gudde*: throwing messages**

◆ DD is fast learning—especially from the Punjab onslaught—that propaganda doesn't work. So, this time, they are trying puppets. The lesson: civic sense. Puppeteer and ventriloquist Ramdas Padhe has made a series called *Garbar Gudde* with characters like Chhotu, Motu and Bingo the dog, who will in their own way get the message of cleanliness and courtesy across to others. It has been directed by the eminent and iconoclast playwright Vijay Tendulkar, no puppet on any string.

◆ It was a shot in the arm. And not only literally. The Director-General (DG) of Doordarshan, Shiv Sharma, is due to retire on August 31 this year. But the bullets of the terrorists which injured him last month might have saved him his job. The corridors of Shastri Bhavan and Mandi House are all abuzz with a possible extension for the DG. "He is riding a sympathy wave," quipped one bureaucrat. Left waiting in the wings is Shashi Kant Kapoor, the additional director-general, who's also qualified for the job. Normally, at least one of the DGS of AIR and Doordarshan is an outsider. And since the acting DG at AIR is from within the organisation, the I&B Ministry might have liked to appoint an IAS man to head Doordarshan. But with at least lip-service being given to autonomy, they want to keep their proverbial long arm behind their backs.

—MADHU JAIN

BHAWAN SINGH



► **Shiv Sharma: not quite out yet**

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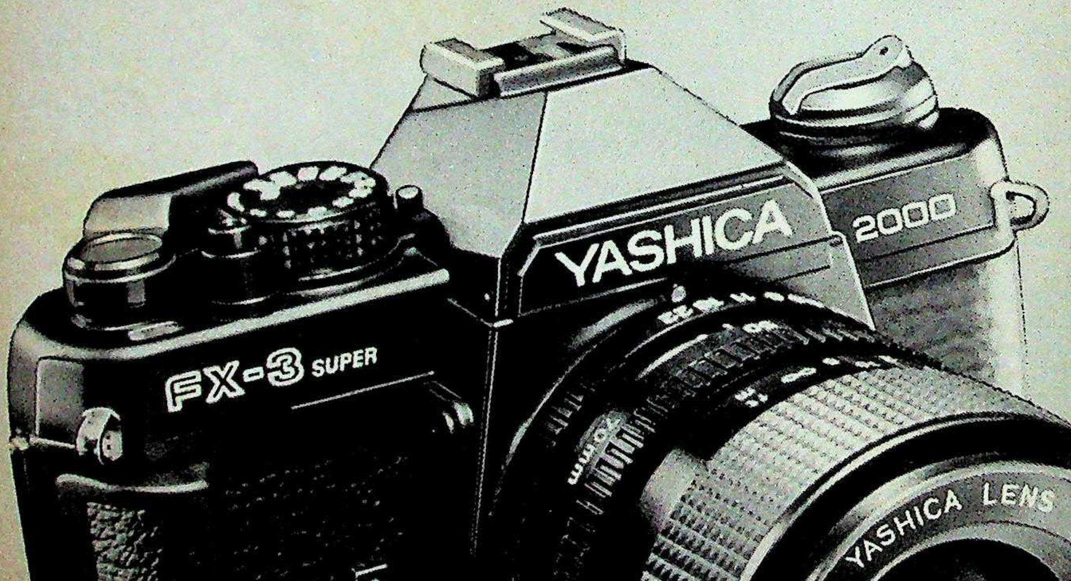
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GUEST COLUMN BY HENRY KISSINGER

Trauma of the Soviet Union

TALK of massive economic aid to the Soviet Union is in the air. A joint study group consisting of a former Soviet deputy finance minister and two Harvard scholars has been propagating a "grand bargain" according to which the Soviet Union, over a period of seven years, will move towards market economics, democracy and disarmament in return for an aid package between $25 billion and $35 billion a year. Jacques Attali, the energetic head of the European Development Bank, triggered a stampede to have Gorbachev invited to the annual meeting of heads of states of industrial democracies and, in frequent consultation with Gorbachev, is drafting his own version of a long-term aid package. The Bush Administration's reaction has been guarded, but its prudent reserve has yet to go beyond the merely tactical.

Moscow breadline: tough times

BHAWAN SINGH

Western aid-givers may have to impose conditions certain to become the focus of internal Soviet opposition.

Everyone agrees that under the best of circumstances, the Soviet Union will have to undergo a traumatic period of austerity. This makes it hard to understand the eagerness of advocates of the "grand bargain" to share responsibility for it by imposing conditions certain to become the focal point of internal Soviet opposition. Equally puzzling is their willingness to jump into a civil conflict. Through all this the source of funds for the proposed long-term aid remains elusive. The United States is constrained by its deficits, Germany by its recently recovered eastern provinces, and Japan by its reluctance to contribute until its territorial dispute with the Soviet Union is settled.

A long-term aid package to the Soviet Union will not necessarily prevent unauthorised acquisition of nuclear weapons by hardliners or a return to a command economy by conservatives. It is a contradiction to argue that Gorbachev is threatened by military hardliners but is at the same time indispensable in controlling them—especially when every act of military repression in the Baltics is claimed to be unauthorised. And if the conventional wisdom that only market economics can effect modernisation holds true, why would any faction choose permanent underdevelopment by returning to a command economy? The six seceding republics, including the Baltic states, cannot be retrieved by aid. One of the main assumptions of the "grand bargain", that an economically stronger Soviet Union will automatically prove more peaceful, is hard to sustain from the historical record. The argument that peace will be secured by strengthening the Soviet economy is advanced mostly by countries far removed from Soviet borders: it finds few adherents in Eastern Europe, Scandinavia or China.

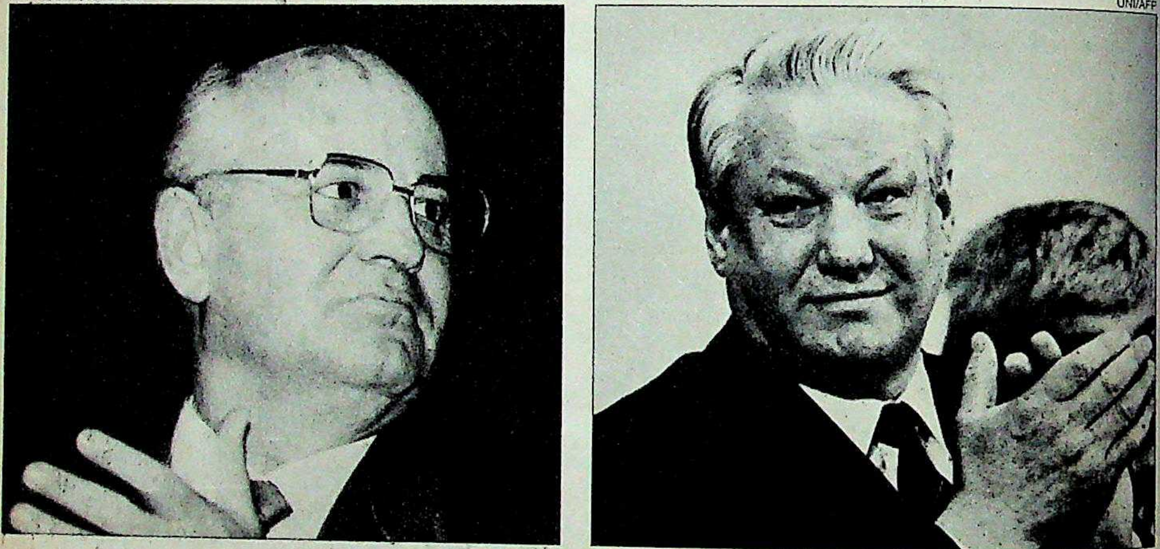
During the last two centuries, no European country has had its armies so frequently on foreign soil. And none has so consistently elaborated a doctrine of foreign intervention, from the Tsarist concept of "third Rome" to the Holy Alliance, from pan-Slavism to international communism.

For the outside world, the best outcome of the Soviet crisis would be a confederation of republics strong enough for common defence but not so cohesive as to conduct foreign aggression. No outside power should presume that it can fine-tune this evolution. At the moment Boris Yeltsin comes closer to advocating such an outcome than Gorbachev, though in recent years the players have periodically changed roles, depending on their tactical requirements.

In this struggle, for the time being, Gorbachev represents the reformist element of the communist power structure and Yeltsin the market-oriented, decentralising tendencies. Gorbachev owes his position to cooptation; Yeltsin to free election. Until these issues—especially that between the centre and the republics—are clarified by the electoral process, there can be no "grand bargains".

There is no doubt that Gorbachev will be remembered as a seminal figure. His historic achievement will have been the liberation of Eastern Europe and his willingness to challenge the moribund practices of a stagnating society at home. He has found it difficult to transcend the convictions of a lifetime; hence his astute diagnosis has rarely produced the proper remedy in domestic policy.

Gorbachev came into office as general secretary of the Communist Party. His first instinct, to turn the Communist Party into an instrument of reform, foundered on the rock of vested interests. Gorbachev next strove to weaken, but still preserve, the communist structure by taking two steps: he moved the locus of his power to the parallel structure of government and instituted a system of local elections. In the event, he miscalculated.



PRAMOD PUSHKARNA

UNI/AFP

Gorbachev and Yeltsin: cease-fire

The Soviet Union cannot politically sustain the austerity essential for its transition from a command to a market economy without restoring authority.

Gorbachev found it impossible to reconcile his desire to pressurise the Communist Party with his instinctive, Leninist distrust of the popular will. So he devised a system of essentially local elections while national parties—other than the Communist Party—were proscribed. But when for the first time in Russian history local governments were popularly elected, the sins of Russian history came home to roost.

Gorbachev antagonised the vast network of vested interests characteristic of the Leninist state. The retreat from Eastern Europe disenchanted the military, in the republics he unleashed national opposition to Moscow's domination. In the process he failed to offset this opposition by attracting new supporters because he has not yet brought himself to advance viable alternatives.

There has been much speculation that Gorbachev and Yeltsin have submerged their dispute in the so-called nine-plus-one agreement between the centre and the nine republics willing to remain within the Union. But that agreement should be viewed primarily as a tactical cease-fire. At present, six republics have officially seceded, though their independence is not recognised by Moscow. The remaining nine still have to agree on such issues as to who has authority to tax, ownership of industry and whether Union laws supersede those of the republics.

WHILE these conflicts are raging, the Soviet Union will be unable to address its basic dilemma: it cannot sustain politically the austerity essential for the transition from a command to a market economy without restoring authority.

A few conclusions follow:

▶ Long-term aid programmes would reinforce the centralising communist establishment and penalise the democratic, decentralising forces. For the immediate future, the West should be prepared to extend humanitarian, technical and project help, and it should be prepared to offer advice. But it must leave no doubt that the elaboration of a long-term programme is a Soviet responsibility.

▶ At this moment, the West should go no further than to offer the Soviet Union associate membership in the International Monetary Fund. This permits the extension of emergency assistance based on performance and international criteria, monitored by international agencies.

▶ The meeting of the leaders of the industrial democracies with Gorbachev is at best premature. For they will find it difficult to avoid offering either too little, therefore weakening Gorbachev, or too much by abdicating their responsibility of defining attainable goals and establishing priorities among competing claimants.

▶ Special attention must be paid to the countries of Eastern Europe. They suffer many of the same difficulties as the Soviet Union and were the innocent victims of communist imperialism. Too much contemporary discussion seeks to spur the recovery of Eastern Europe by aid programmes to the Soviet Union. These problems should not be linked. In fact while the Soviet Union is preoccupied with reform, Eastern Europe's political and economic ties with Western Europe should be strengthened. Indeed, conditions for major long-term aid are much more favourable in Eastern Europe than in the Soviet Union.

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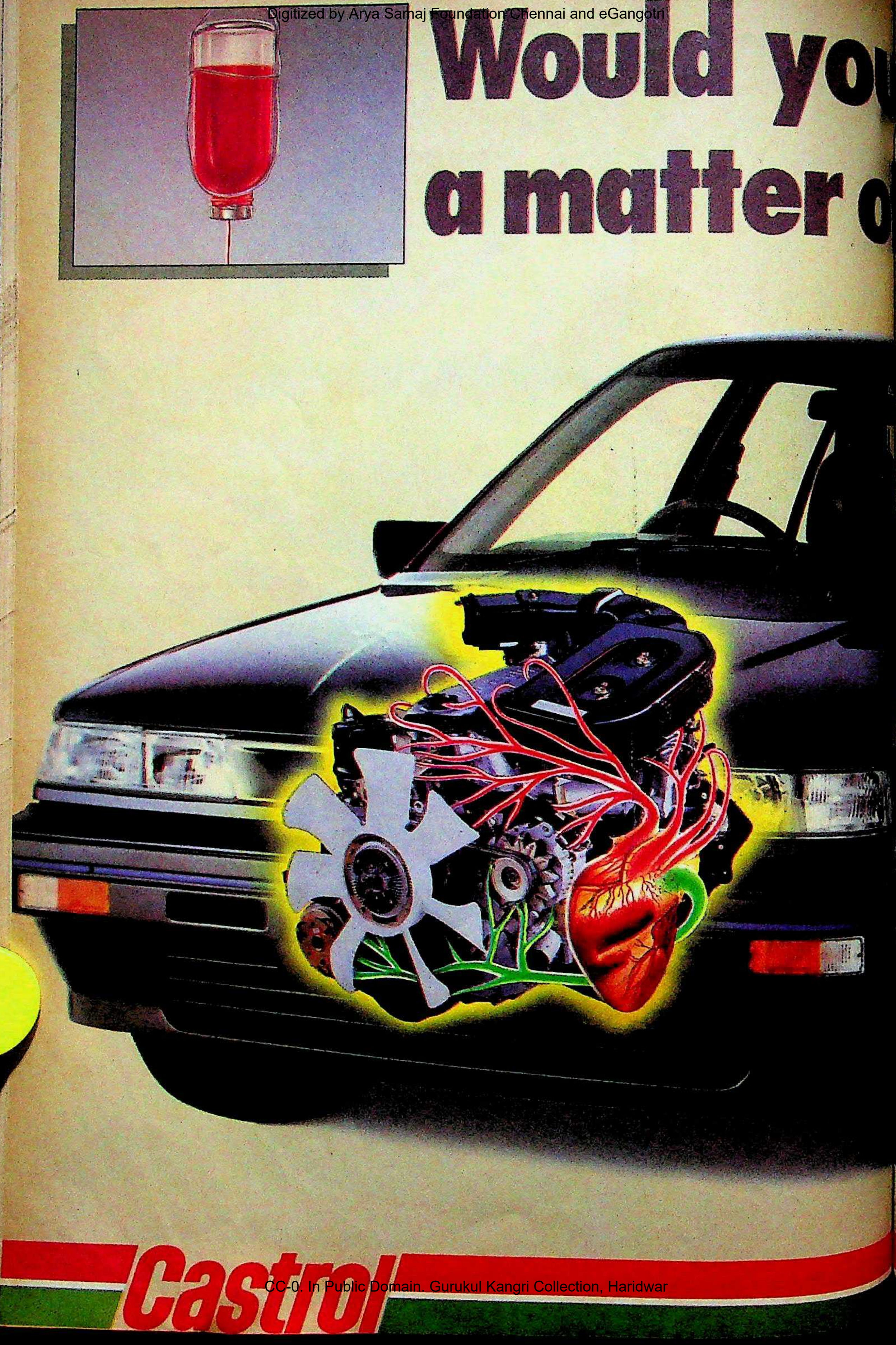
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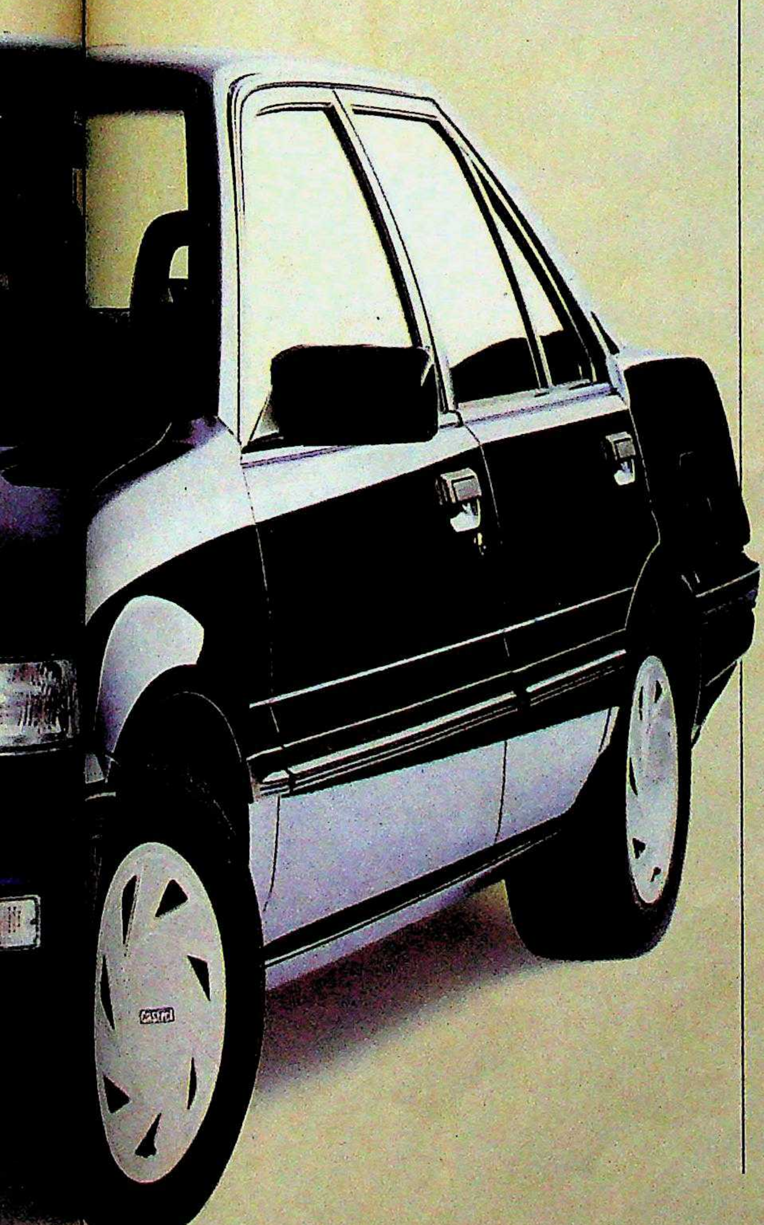

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COMPUTERS

Minor Masters

Schoolchildren show a flair for computers

ARJUN Dutt, 13, looks like any schoolboy his age. But when he sits at a computer console, the change is remarkable. He takes charge of the machine like a seasoned jockey handling his steed, acquires a professorial bearing, and leaves onlookers feeling obsolete. With cool confidence he explains the merits of a graphics tool he has developed. "Basic is like my mother tongue," he smiles.

A Class IX student of Delhi's Springdales School, Arjun is brilliant with computers. And he is not alone. As computers take root in India, compukids are revealing extraordinary abilities. Consider Kirat Singh, 16, a Class XII student of Delhi's Modern School. The son of a bee-keeper, he is a computer wizard and has developed a Pascal compiler for Xenix operating system twice as fast as the standard Turbo Pascal. His compiler was so impressive, a publisher has signed a contract with him to write a book on it. Kirat began working on a small computer gifted to him eight years ago but now has a PC at home. His achievements: a bee-keeping package for his father and a vaccine for a computer virus that was chewing up data at his school.

It's everyday problems that fire the students' imagination. Gayatri Vishwanathan of Sri Sankara Matriculation School, Madras, found the calculations of the salt analysis experiment tedious. So she developed a programme to do the analysis. The work fetched a prize at a local contest.

Compukids are not working in a vacuum but fulfilling specific needs. Ajay Jain, a classmate of Kirat's, wants to join the medical profession. A computer enthusiast, he has developed a diagnosis and treatment tool. All one does is key in the symptoms and it gives the possible causes and treatment course. Others, like Prashant Tatake, 14, of King George's School, Bombay, aim for the sky. Prashant has developed an astronomy programme which shows the location of constellations. And as an ace salesman of Computer Point, he has installed computers in 45 Bombay homes.

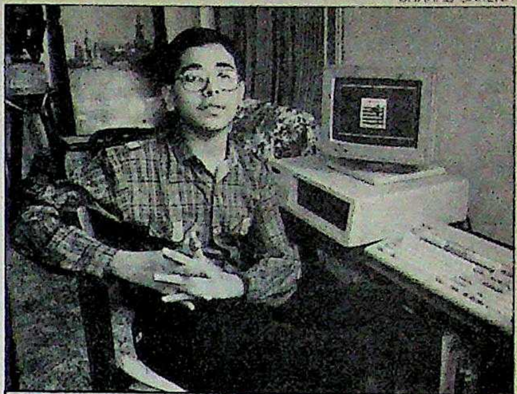
But sometimes their smartness works against them. Ashok Narayanan of St Columba's saw his database management system package rejected at a contest as the judges felt that so smart a package could only be pirated. A similar fate befell Rishi Khanna and Sachin Bhatia of Modern School for their graphics package. Their teacher Promila Bij recalls a judge wondering "if kids are getting smarter or we're getting obsolete".

One thing compukids share is devotion to the subject. Arjun spends most of his free time at the machine. And Kirat says this is his only hobby. Ironically, this could turn out to be a weakness. Take Rishab Ghosh: he got so taken up by computers, he quit after Class VII to pursue his interest. But missing out on basic education could get him stuck with fundamentals later. Educators also fear that if these children are treated as special, it may introduce distortions in their personality.

But these are minor worries. Given their mettle, there's no reason why these compukids should not achieve their ambitions.

—ALOK TIWARI with bureau reports

SHARAD SAXENA

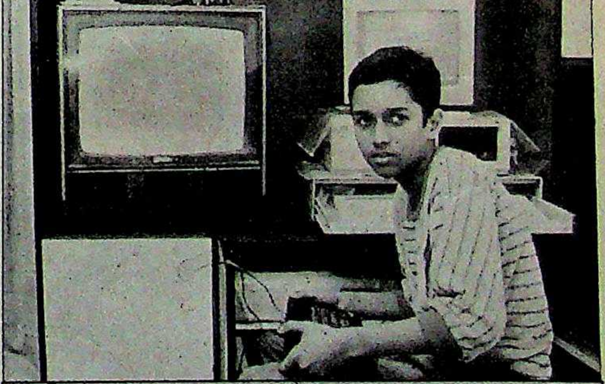


Arjun Dutt, 13, has used computers since he was seven and has developed a graphics package.

SHARAD SAXENA

Computer wizard Kirat Singh, 16, is working on a computer book for a Delhi publishing house.

HEMANT PITHWA



Prashant Tatake, 14, has developed an astronomy programme which shows the location of constellations.

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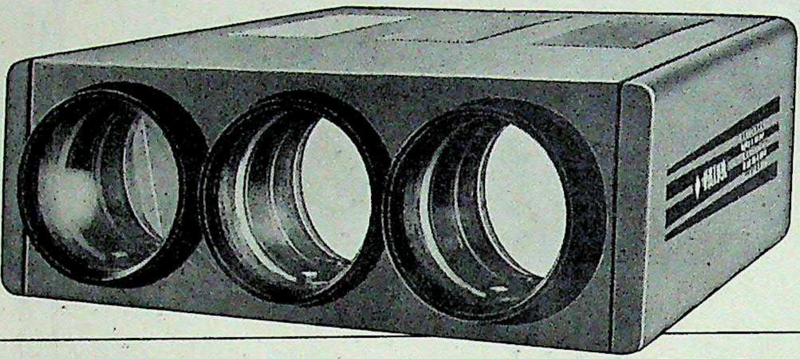

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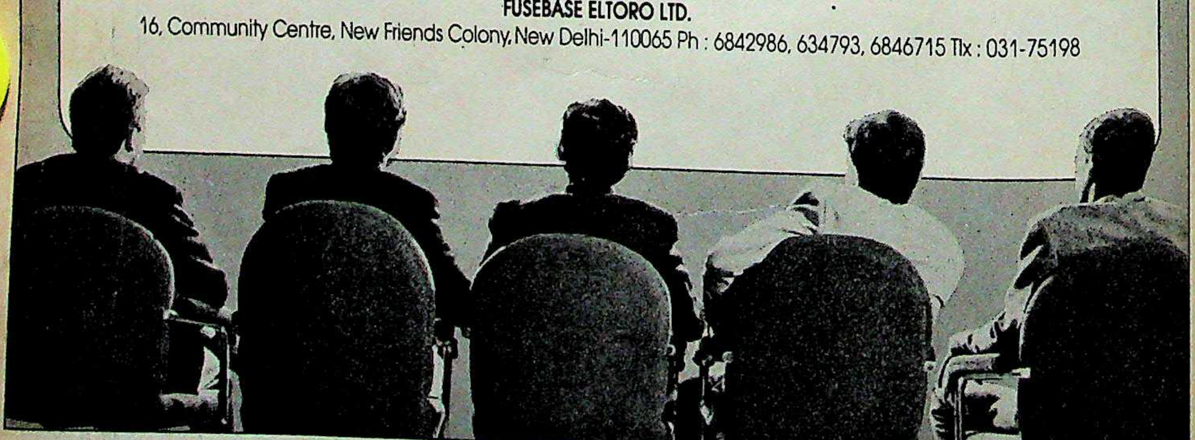

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Marketing News

THE most dramatic changes that have taken place in the newspaper world in India over the last decade have been in two directions. Newspapers have become brighter, if not trendier, and the status of the editor has plummeted.

As a younger generation of newspaper owners has taken over, it has introduced a more obtrusive proprietorial presence in the news-room. And with it has come the diminution of the role of the editor and the ascendancy of the business and advertising executives.

Often, the traditional creaking frame of the established newspaper has not changed all that much. Witness the number of printing errors and the patois English in column upon column of editorial matter of any major newspaper. The advertising manager is now like a king, with obtrusive advertising, even to the extent of denigrating the editorial content, having come to stay.

The old concept of the editor as the supreme authority in his editorial ivory tower, contemptuous of the advertisements that kept both him and the paper alive, had to change. The editor and his staff must interact with the business and circulation side of his newspaper, if only to understand the profile of his readers. But from one extreme of an almost distant editor laying down the law to the growing vogue of editors who receive commands on how their newspapers should be run is a quantum jump.

Let us take the example of *The Times of India*, which proclaims itself as "the leader" in the field. Since Samir Jain took command, the traditional greyness of the paper has gone. The accent is now on colour and layout. There is a measure of daring and, adventure in some of the reporting, qualities admirable in moderation.

The contrast between the editor's paper *The Times of India* was until the incumbency of Girilal Jain was abruptly ended some three years ago and Samir's presence on the editorial pages could not be greater. Dileep Padgaonkar saw his role differently or had been persuaded to accept the fact that the editorial dispensation and authority had dramatically changed. It was Samir now calling the shots and if the general impression gained ground that the editor was rather like another executive involved in the venture of selling newspapers rather like selling cakes of soap, the public was not to be blamed.

The Times of India's most successful souped-up version to date has been the Sunday edition which has attempted to be what a Sunday newspaper should be: giving an overview of the major events with enough variety to offer the reader bored with the daily dose of the Byzantine flow of Indian politics something different and refreshing.

By the same token, the denigration of the editor has been most striking in the pages of the daily, six days of the week. A well-written story is the exception. Some stories are blatantly angled, and on the editorial page there seems to be a minuet conducted by staff writers on very predictable lines.

Perhaps the changing *Times of India* represents the transitional phase in Indian journalism where the pendulum has swung from one extreme to other. As the history of renowned newspapers shows, only an editorial imprint can make, or mar, a newspaper. Obviously, the editor works within set parameters, and has no business to be an editor if he or she disagrees with the proprietor's policy.

We in India have developed our hang-ups about the proprietor-editor relationship. What we need to be concerned about is the day-to-day interference of the management in the editor's well-defined functions. There are no demarcated editorial budgets. Even the sending out of a reporter on a special assignment requires the management's nod.

One would have hoped that these real issues which impinge upon the editor's ability to produce a good newspaper would engage journalists' attention. More than wage boards, real editorial freedom is the stuff good newspapers are made of.

The greater is the pity, therefore, that instead of subjecting himself and the profession to some introspection, Padgaonkar should have waxed eloquent over his own self-perceived importance in an interview he gave to the June issue of *Society* magazine. Vanity and an air of self-importance are qualities Indian journalists share with their counterparts elsewhere. But to suggest at a time editors are becoming an endangered species, that *The Times of India* editor is holding the second most important job in the country, next only to that of the prime minister, is to live in a make-believe world.

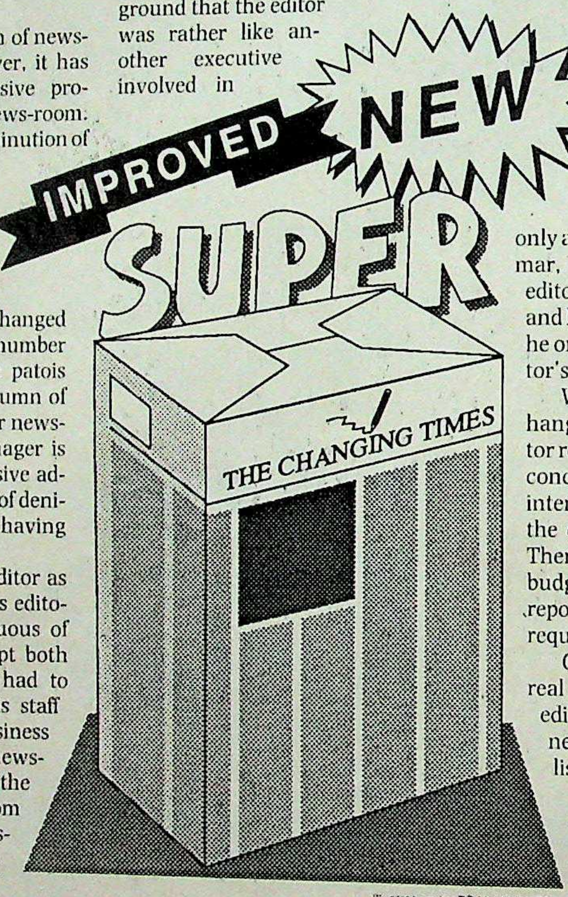

Illustration by PRANAB DUTTA

Younger owners have introduced a proprietorial presence in the news-room, diminishing the editor's role.

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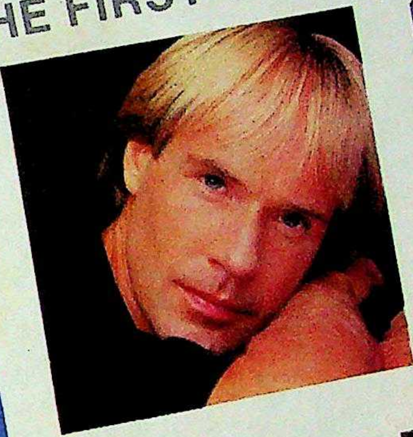

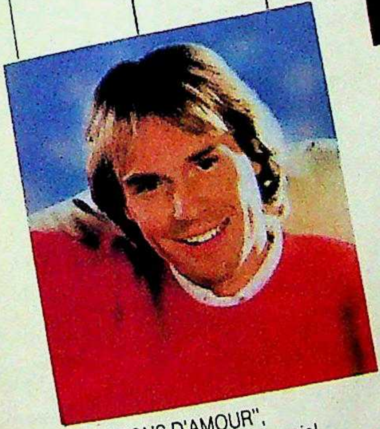

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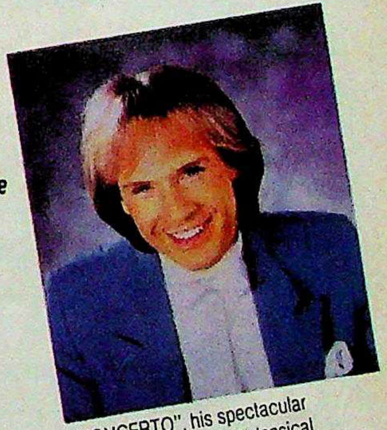

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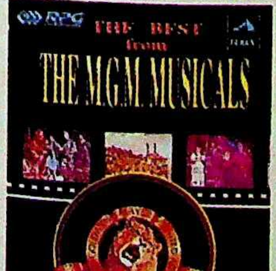
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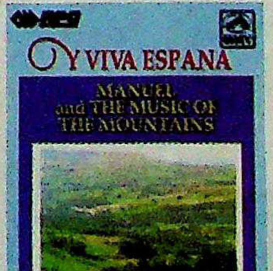
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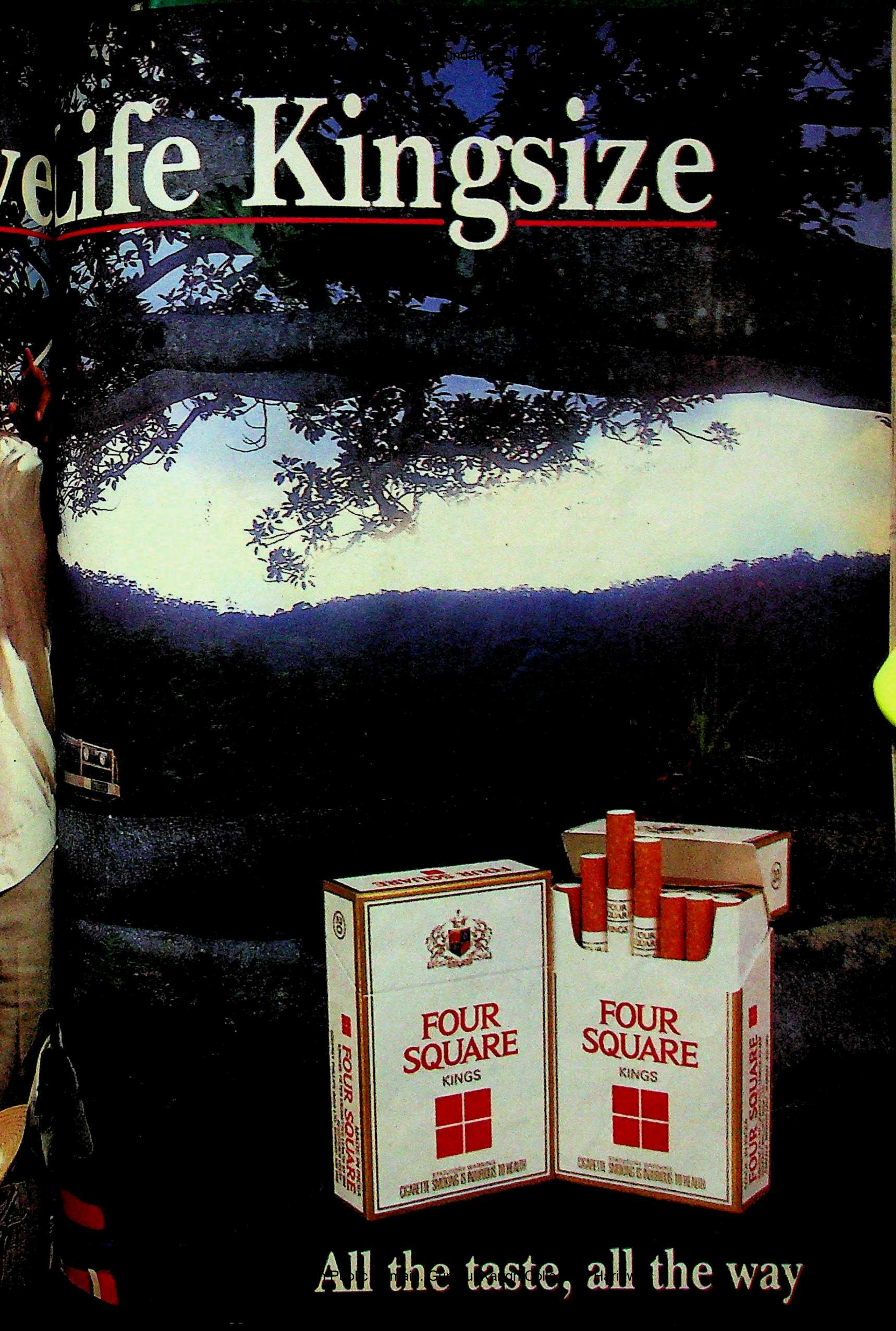
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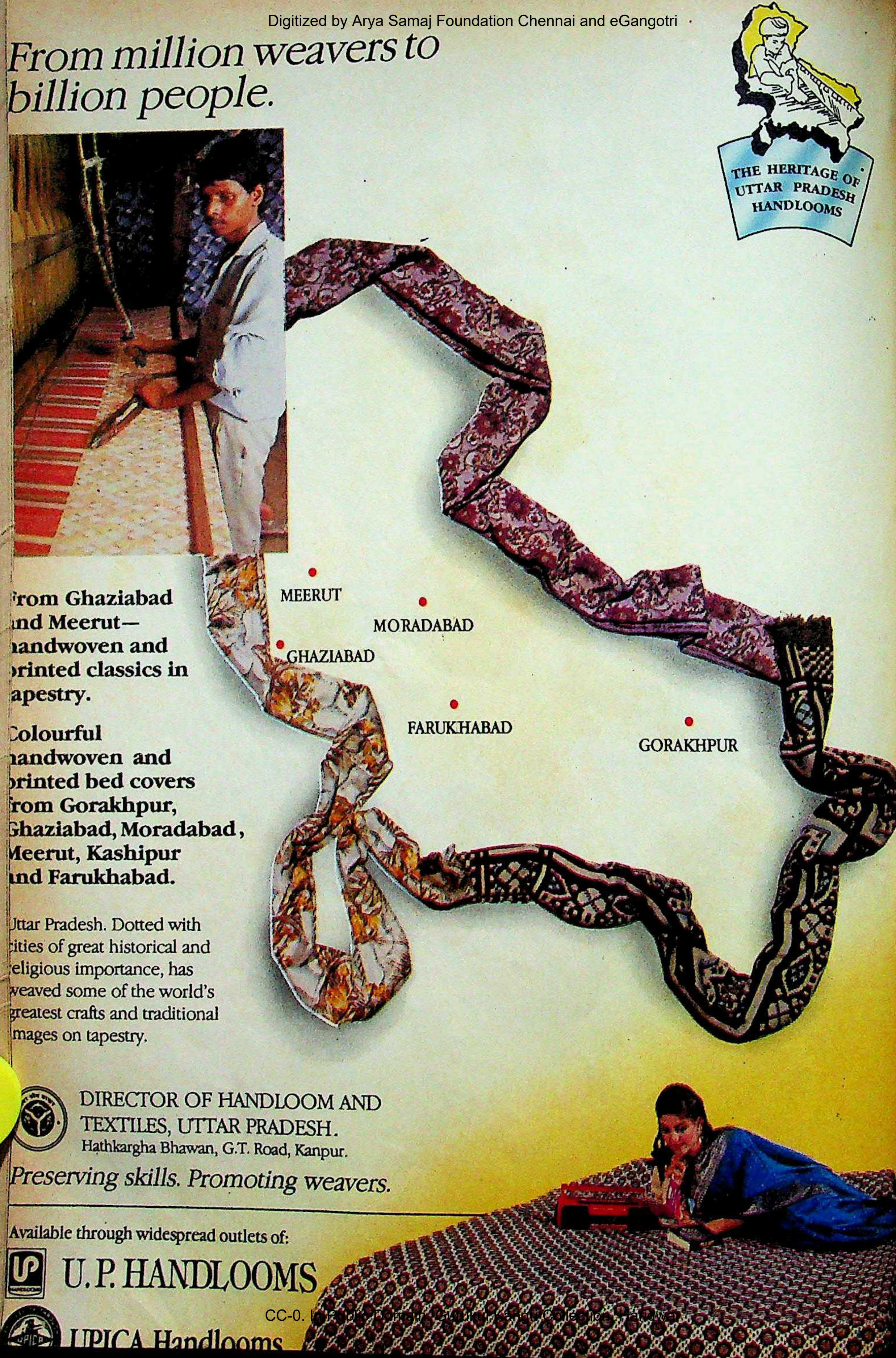

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FIRDAUS KANGA

On the Wings of Success

The disabled writer makes waves in London

THOSE envious of his growing success enumerate, somewhat cruelly, the combination of factors working in his favour: that he is a wheel-chair ridden disabled, barely 4 ft tall, weighing 20 kg; that he is a self-proclaimed homosexual, unabashedly lusting after men; and in tandem with all this, he is a Parsi from Bombay, a uniquely exotic product poised to earn the empathy of the West. But those who are for him, of which there is a growing legion, quote these very factors to show how far he has come.

Nor does he intend to let up. In fact, Firdaus Kanga, at 31, with one critically acclaimed novel behind him and a second book out this month, appears raring to go, straining to push the literal wheels under him to the very limits and beyond. As London-based novelist Paul Bailey says: "He is a remarkable man, quite extraordinary. And he is a good writer—you can tell that after reading one book."

In a way, with Salman Rushdie out of circulation, Firdaus has become the new expatriate lion in London's literary circles. He has made acquaintances and friends which include writers and publishers such as Timothy Mo, John Irving, V.S. Naipaul, Paul Bailey and Faber Chairman Mathew Evans, who suggested his second book *Heaven on Wheels*. And Firdaus is circulating at a frenetic pace, discovering foreign cuisine, attending literary soirees, scouring art exhibitions and devouring theatre, opera and music—ferried, carried, pushed, by his many friends. He admits cheerfully, sitting in his flat in West Hampstead, which he shares with four others: "I am having a lot of fun. Really there is a lot of catching up to do."

That is by Firdaus' own standards. For he has been anything but a laggard all his life. Born afflicted with *osteogenesis imperfecta*, brittle bones, like his protagonist, Brit Kotwal, in his autobiographical novel *Trying to Grow*, Firdaus imbibed early that accomplishment and excellence could in the final count off-set all congenital handicaps. While his father Homi desperately tried every kind of remedy to put Firdaus on his feet, including making his son swallow the powder of crushed pearls, Firdaus refused to lament the fact that he was a cripple. Recalls his mother, Tehmi: "Even as a boy Firdaus was independent, tough mentally, and refused to cry." He adjusted to the reality of the wheel-chair early, and the last thing he wanted from people was sympathy. He developed a fine sense of humour, and learnt to laugh at himself, a quality that made *Trying to Grow* a marvellous read, studded with entertaining dialogue that did not ring false, and unburdened by the trauma of its author.

With a second book out, Kanga appears raring to go, straining to push the wheels under him to the very limits and beyond.

From the very beginning Firdaus possessed an insatiable passion for books. After being tutored at home, Kanga joined the prestigious Campion High School in class four, where his brilliance soon became apparent to all. Even while he consumed books like a starved child, he did not allow his handicap to ground him: he attended plays, concerts, saw films, always escorted by friends who enjoyed his effervescent company.

As a young boy, he also expanded his horizons and ambitions through travel. His father—a depressive who committed suicide two years back—worked in the TWA sales department, and the free tickets enabled the family to visit America, England and Europe. Firdaus utilised these trips to talk to people everywhere, exchange ideas, and generally get a feel for living as a cripple trying to make it in a competitive world. He learnt his lesson well. As his new book shows he is pathologically averse to doles and charity, and believes firmly in the individual striving to achieve whatever he desires. He roots for Maggie Thatcher, braving the derision of the intelligentsia; and perhaps from the fact of his own success, draws the strength of his conviction.

And one important conviction of his, which he has managed to come to terms with in London, is his homosexuality. His first book records the comic-painful process of this discovery. Tehmi only learnt of her son's procliv-

Firdaus eating out (left); and rowing: living it up

Ferried, carried, pushed by friends, Kanga is scouring art shows and devouring theatre, opera and music.

ities when she read of them; she is not shocked, but convention binds her strong and she declares without waffling that were Firdaus to come to India with his lover, they would not be allowed to stay in her home. But in London no one takes any notice of his being gay. Says Firdaus happily: "If you go to a party you meet half a dozen gay people."

To all appearances it seems London is going to be for some time a second if not first home for Firdaus. He has much going for himself there. Bloomsbury, his publishers, treat him like a valuable asset; there is a surfeit of art and culture to dip into, celebrities to meet, classy restaurants to eat in; his homosexuality does not stick out like a sore thumb; his disability is no embarrassment, "the attitude here is very different—for me it is very rewarding to be considered absolutely ordinary"; and his hygiene fetish—hates cigarettes and alcohol, and quietly washes his hands after touching anyone, even after reading a newspaper, stemming from a morbid fear of catching a disease—is better served there. Above all, he is enjoying himself hugely. But he admits: "Though life is so much richer here, it will be some time before I feel ready to give up my connection with India."

His next novel is set partly in Bombay; the plot involves an Englishwoman who visits India. Firdaus is sure that "India is the place of my imagination; it will be a long time before I write about Britain". Publisher Ravi Dayal calls him "a novelist with a future". But *Heaven on Wheels* merely sustains the faith in his talent; to put a seal on his reputation Firdaus will have to deliver as competent a second novel as his first. Being exotic and disabled can give you a headstart in the race for literary longevity, but in the very front rank of authors these count for nothing. All that matters is the quality of the writing; and Firdaus Kanga, one feels, would not want it any other way.

—TARUN J. TEJPAL with AMIT ROY in London and GODFREY PEREIRA in Bombay

Misty View

HEAVEN ON WHEELS
by FIRDAUS KANGA
Bloomsbury, UK; Viking Penguin India
Pages: 255; Price: Rs 250

Firdaus Kanga
Heaven on Wheels

THERE can be a thing as too much loving; and our homegrown Christopher Nolan, Firdaus Kanga, is guilty of it in his first travelogue and second book. The object of his unstinted affection is England, which in his own words he decided to see "with one eye misted with Anglophilia, the other clear and wide open". But good writers keep both eyes peeled for the nuance and the experience, and by doing that Kanga could have well produced a book of greater depth and design.

In the event, what starts out as a romantic journey, a tryst of the writer with the land of his fantasies and imaginings, soon becomes a blur of swiftly recorded impressions. As he wheels a swathe through Liverpool, Glasgow, Edinburgh, Newcastle, Durham, Bradford, Leicester, the pace of the narrative dulls, his infatuation with England begins to fatigue. And at times, as when above Tintern Abbey, it can hover on the edge of schmaltz.

That his travels do not bore altogether is a tribute to his ability to continually conjure up the superbly vivid image: "she gathered her indignation like skirts about her"; "Timothy Mo looked like a letter-bomb: a compact little body, tense and taut"; and "Bombay's green spots were visual absurdities, little sprouts of grass like an old woman's beard".

Every now and then Kanga assumes a Naipaulesque gravity in an attempt at probing paradoxes and contradictions, but he lacks Naipaul's ability to pick someone as emblematic and dig deep to unravel patterns. Essentially, Kanga seems to have fallen into the trap of the unpractised travel writer: relying too heavily on his writing skills and failing to seek out the extraordinary experience. There is too much random trivia here, and one hopes the writer has now purged himself of England and his fictions to come will be that much the better for it.

—TARUN J. TEJPAL

Trivialising Titans

TARUN J. TEJPAL

WHAT needs my Shakespeare for his honoured bones
The labour of an age in piled stones....
Dear son of memory, great heir of fame.
What needst thou such weak witness of thy name?

—On Shakespeare by John Milton

ALARMED that the interest in him seems to be waning somewhat among the younger generation, the august and largely anonymous Nobel Foundation has decided to make an exception and award a posthumous Nobel Prize to William Shakespeare. This, it is hoped, will prove like water on a parched bed, blooming forth flowers of fresh passion. With this Ol' Will can stand amid the ranks of Pearl S. Buck and Gabriella Mistral.

Ol' Will perhaps would not mind if the above scenario unfurled (he appears to have had an unrivalled ability to pierce the gimcrackery of mankind), but anyone who has had anything to do with him—that is much of mankind—is bound to be outraged. You can't pin the architect's guild medallion to the Taj Mahal and add to its glory.

Similarly with Sardar Patel. And as if the madness will brook no ending, with Subhash Chandra Bose. At best, there is something cretinous about wanting to drape Bharat Ratnas on these giants of the freedom struggle more than 40 years after they died. At worst, it reeks of unsavoury motives, of cold political calculations rather than deference and sentiment. If you cherish Tagore you read him, not frame scrolls in his praise; if you revere Gandhi and Nehru you imbibe them, not embark on year-long centenary hooplas, spending crores on deifying men no one cares to understand any more.

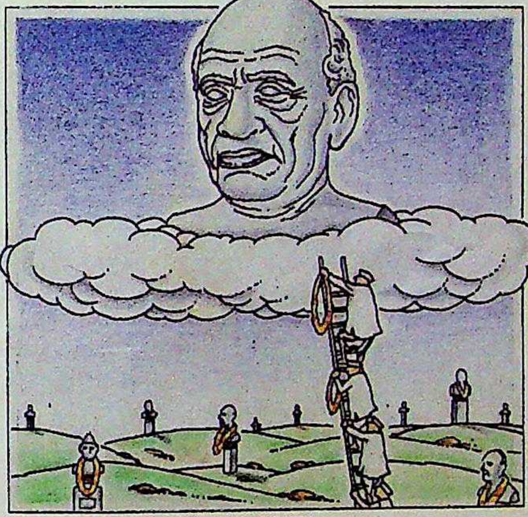


Illustration by AJIT NINAN and MANOJIT DATTA

On the surface, there is in all this a tinseltown approach to memorialising. A notion that if the loudspeakers blare loud enough, and the hoardings are appropriately lurid, and the hall swank with ormolu, then it matters little what film is showing. That if the awards are regularly handed out, the statues periodically erected, the roads continually re-named, and unctuous noises annually regurgitated, it matters not if what the men stood for remains unheeded.

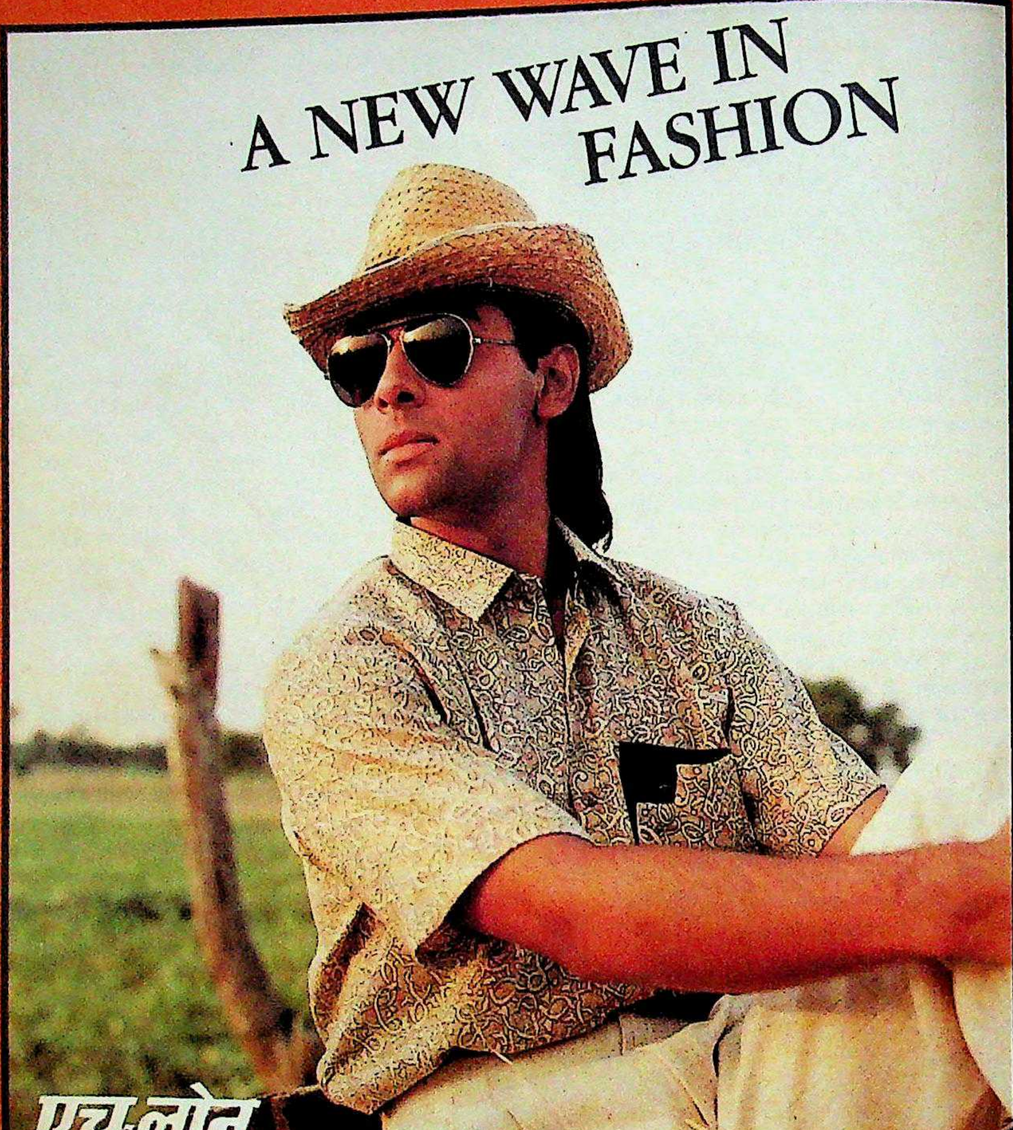
In its innocence, this crass memorialising can be a way of hoping glory will rub off through linkage with the great: that in the motions of tribute-making the Aya Rams will acquire a modicum of Nehru's sheen. But, shorn of this unlikely innocence, memorialising can devolve to ruthlessly clinical politics. A carving out of constituencies; a consolidating of vote banks. So the Bharat Ratna has been given to Kamaraj Nadar, and in recent years to MGR, Ambedkar, and now Patel, and Bose waits in the wings; and if you go back farther there stand arrayed dozens of stalwarts—Abul Kalam Azad to help harness the Muslim vote—whom our politicians can take turns at anointing.

Of all the reasons why awards are given, these examples fulfil only the most vile: the award-giver celebrating himself as a recogniser of greatness and talent. The other two reasons are: to provide sustenance to someone to carry on his good work; and to put the stamp of recognition on achievements. Patel benefits from neither of these; nor will Bose. If anything, to so belatedly slot them in a narrow frame of reference, to actually give them an award many years after giving it to V.V. Giri (1975), whose distinguishing characteristic was being a Mrs Gandhi loyalist, and Kamaraj (1976), through whom Mrs Gandhi wanted to consolidate Tamil Nadu after dismissing Karunanidhi's government, is to diminish them. It is to bring them down from nationalists of the highest order to politicians of a quotidian stripe. As for righting historical wrongs, it is an exercise that can be carried to the point of idiocy—a posthumous PVC to Rana Pratap for Haldighati? And in any case it is ludicrous to suggest that Patel and Bose, if wronged at all, can be redeemed through awards. Can Tolstoy's reputation be enhanced thus? Or will Mandela's stature decline if he ceases to accumulate awards?

Nor are we any better in dealing with our recently dead. Inane conventions are set. Splendid acreage is earmarked to serve as a memorial for dead prime ministers. A Pandora's box of a step; for as governments come and go through a steadily turning turnstile, and the schools of political practice fracture, a clamour of lobbies is bound to spring up, each insisting its luminary be memorialised in peerless fashion. This in a country whose majority cannot even hope to own a pucca house in their lifetimes. Increasingly, there is a mistaking of glamour for greatness. A premature assessing of worth is taking place; sentimentality is pre-empting dispassionate judgement.

The last of the great have long been dead and elaborate memorials should cease. At best, like in Westminster Abbey in England or the National Arlington Cemetery in the US, a hallowed common ground can be earmarked for the last rites of the prominent. Politics is today a vocation like any other; in fact among the more paying, if of late tinged with hazard. Politics no longer edifies; politicians no longer have any understanding of the selfless sacrifice. Gandhi spent six-and-a-half years in jail; Nehru suffered incarceration for 23 days short of nine years; lying adjacent to them Rajiv Gandhi spent barely 11 years in politics, five as prime minister, and four as prime minister designate.

A nation needs heroes, but nowadays politics provides few. To invent them can be hazardous. It can be dangerous to deify the dead; it can be dangerous to mix memory with desire: for a nation whose heroes have feet of clay can also find itself mired in ankle-deep mulch.



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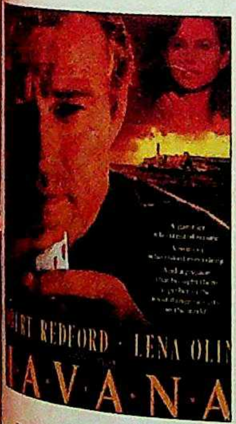
Video

THE HARD WAY (directed by John Badham; starring Michael J. Fox, James Woods). This action-comedy revolves around the mismatched buddy-buddy cop theme. Fox (Nick) plays a hotshot Hollywood actor who enrolls as a partner to New York cop James Woods (John) in order to prepare for a forthcoming movie. John is on the trail of Party Crasher, a psychopath who makes the rounds of New York's parties to find his victims. Unfortunately Nick proves to be quite a liability.

HAVANA (starring Robert Redford, Lena Olin and Raul Julia). Set in pre-revolution Cuba, the film, directed by Sydney Pollack, tries to recapture the magic of *Casablanca*. Redford plays a slick poker player, Jack Weil, who inadvertently falls in love with Bobby Duran, a beautiful revolutionary, played by Olin. Thinking her husband Aturo (Julia)—on the "most wanted" list of General Batista's gestapo—is dead, the two share a touching interlude, but on the night when they are to make their escape to the US, Redford discovers that Aturo is alive. The film ends on a somewhat wistful note with Redford staring across the Florida Strait towards Cuba and his lost love.



Redford: going strong

Art

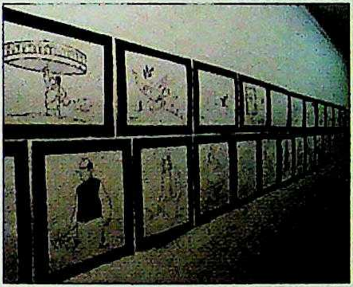
CALCUTTA-NOSTALGIA (Terra-Cotta Gallery, Lake Gardens, Calcutta). The idea behind the exhibition is to recreate the old Calcutta charm through the medium of terracotta. The one year of extensive research that went into the works is amply evident in the exhibits that are reminiscent of the colourful period of Calcutta's history from the late 18th century to the middle of the 19th century. The works are based on the evocative prints by Solvyns, D'Oyly and the Daniell brothers. And the terracotta wall tiles that can be mounted on walls, depicting full length scenes of the city's past are particularly interesting.

SAIBAL DAS

Terracotta works: new theme

PROFILE '91 (Ranga; AIFACS, New Delhi). The ubiquitous cartoonist's exhibition of caricatures is a dedication to Rajiv Gandhi, with a special section on him. With the eye of a diarist and spartan lines, Ranga focuses on Indian celebrities—political and otherwise. The caricatures exaggerate certain features thus de-mystifying the usually remote celebrities. Particularly good was a cartoon of Nehru looking in surprise at the rose in his buttonhole which turns out to be a caricature of Rajiv.

PRASHANT PANJIAR



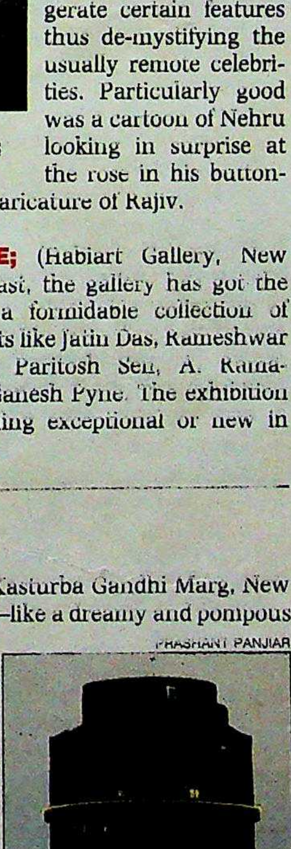
Rajiv section: touching lines

CONNOISSEUR'S CHOICE; (Habiart Gallery, New Delhi): Like so often in the past, the gallery has got the 'biggies' together, featuring a formidable collection of established contemporary artists like Jatin Das, Rameshwar Broota, Vasundhara Tewari, Paritosh Sen, A. Ramachandran, Manjit Bawa and Ganesh Pyne. The exhibition is on view till July 16. Nothing exceptional or new in terms of content.

Food

PARIKRAMA (Kasturba Gandhi Marg, New Delhi). Only the floor revolves—like a dreamy and pompous set of a *masala* Hindi movie from Bollywood. North India's first revolving restaurant is perched on the 24th floor of a skyscraper and offers a majestic view of Lutyens' imperial monuments. The cuisine: the usual Indian-Chinese-Continental *khichri*.

PRASHANT PANJIAR



Parikrama: round fare

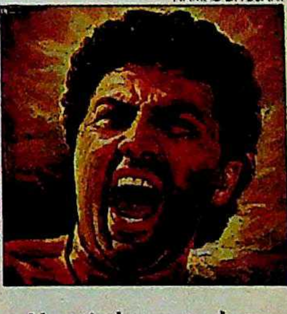
Books

PALACE WALK by Naguib Mahfouz (Anchor Books; Rs 150). Finally the first volume of *The Cairo Trilogy*, which was mentioned in Mahfouz's Nobel Prize citation, is available in translation. Mahfouz is a must for Indian readers who will be able to empathise with the ambience he evokes, the colours, smells and rituals of the ancient East. But Mahfouz is not just an R.K. Narayan; there is a complexity of thought and philosophical depth that raise him to the stature of a truly great writer. Other translations available are *The Beggar* and *Autumn Quail*.

Movies

NARASIMHA (directed by N. Chandra; starring Sunny Deol and Dimple Kapadia). Despite the irresistible lead duo of Sunny and Dimple, this is an Om Puri film. Playing the bad man, Puri gives evil an unforgettable face. Chandra's script is trite, and the anger, cliched.

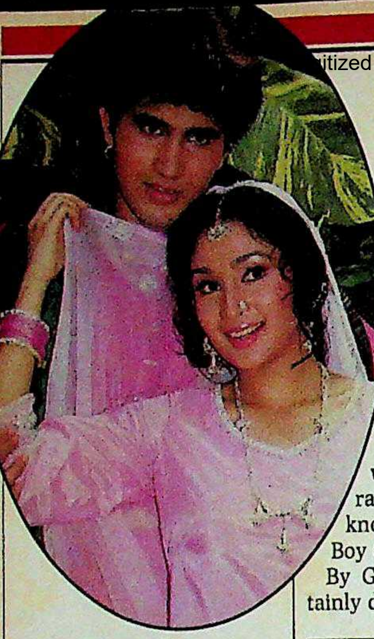
NAMAS BHOJANI



Narasimha: poor show

Odd ends

PASSAGE (Gateway Hotel, Hyderabad). The southern city's first discotheque, with psychedelic lights, 2,000 watts of pounding music and a DJ. The weekend disco adds a touch of fun to the city's teeny-boppers.



Boy Mukerji with Pratibha: teen twosome

Buoyant Boy

◆ Boy, what a trio they make. Joy, Toy and Boy. Yesteryear's romantic hero Joy Mukerji's son Boy is the latest fledgling star son on the celluloid horizon—Toy is the elder brother.

Boy will soon don the pancake and paint with his tinsel-town debut in *Mehboob Mera Mehboob* opposite another star child—actress Mala Sinha's daughter Pratibha.

How did he end up with a name as quaint as Boy? Apparently, his father was extremely influenced by Edgar Rice-Borrough's Tarzan who christened his own son Boy. So he said: Me Joy, you Boy. Says mama Mukerji: "Please do not think that the name has anything to do with the pop singer Boy George. That would be very embarrassing as everyone knows exactly what Boy George is all about." By George, that we certainly do.

GAUTAM RAJADHYAKSHA

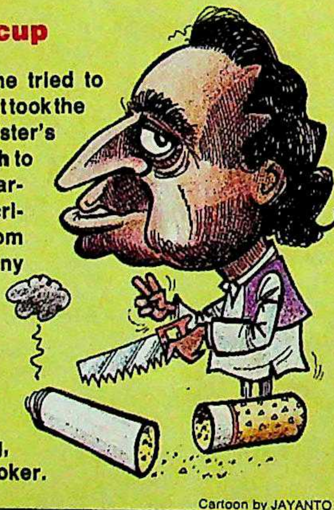
Kajol: spunky starlet

Sky's no Limit

◆ She wanted to fly high as a pilot. Instead actress Tanuja's daughter **Kajol**, 17, parachuted into the world of films. Her explanation: "I get air sick very easily." No regrets for the Sophia College student's detour. She's now cruising along having already signed up a film called *Bekhudi* with Saif Khan—Pataudi and Sharmila Tagore's son. And nothing is clouding the spunky debutante's vision. Says she: "I know the gossip press will eventually link me with this hero or that one. But I'll handle the pressures when they come." The cruise control button's still on.

Smoker's Hiccup

◆ **For two years he tried to give up smoking. But it took the environment minister's chair for Kamal Nath to finally kick the 20-year-old habit. Quite a sacrifice for a man from tendu country. Any withdrawal symptoms? Well no, but that's probably because he chews gum. "I don't even smoke in the bathroom." Meaning, he's not a closet smoker.**



Cartoon by JAYANTO

Tragic Tribute

◆ The chair was set apart, almost like a mini-throne. And **Sonia Gandhi** sat there, a reluctant queen before an imperial column in the Darbar Hall. Congressmen paid obeisance immediately after the five-minute investiture ceremony of the Bharat Ratna which was given posthumously to Rajiv Gandhi. Even the prime minister sat down and then on second thoughts, jumped up and went to wish Sonia. Later in Ashoka Hall, when journalists asked her whether she would contest from Amethi, she remained silent and averted her face. The stoic, aloof expression was back in place. It had for a moment crumbled into helpless fragility—she was on the verge of tears—when she walked back after receiving the award from the President.

SHARAD SAXENA

Sonia Gandhi: silent sorrow

This Swan Rolls Out

◆ The travel bug's really bitten this swan—it's even got wheels on its feet. The maharaja of Nabha's car, a 1912 **Brooke Swan**, has travelled all the way to London—despite the ban on the export of vintage cars—where it will be auctioned by Brooks. The swan-shaped car has eyes made of coloured prisms and a beak with a compressor. Reserved price: £100,000. Apparently, the car used to hiss and spew boiling water from its nostrils to clear pedestrians from the way. That isn't the only geegaw, though. The swan was also equipped with eight organ pipes and a keyboard. Well, it'll be a musical swan-song.

Indian Express

Brooke Swan: last encore

HARAD SAXENA

ent sorrow

oke Swan, the way to the ban on age cars— auctioned an-shaped ade of col- d a beak r. Reserved 0. Appar- sed to hiss water from ar pedestri- . That isn't v, though. o equipped pipes and ll, it'll be song.

Indian Express

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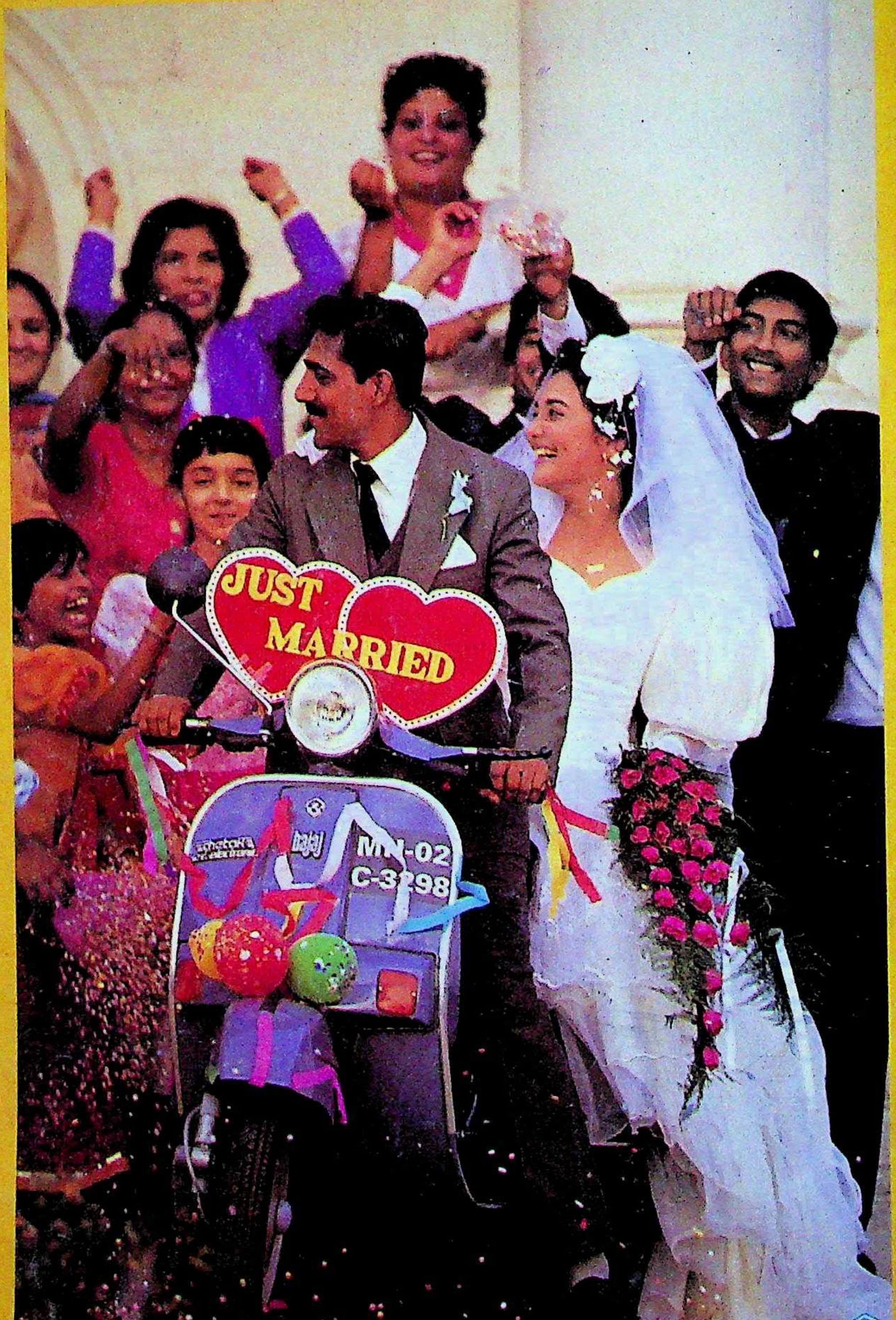
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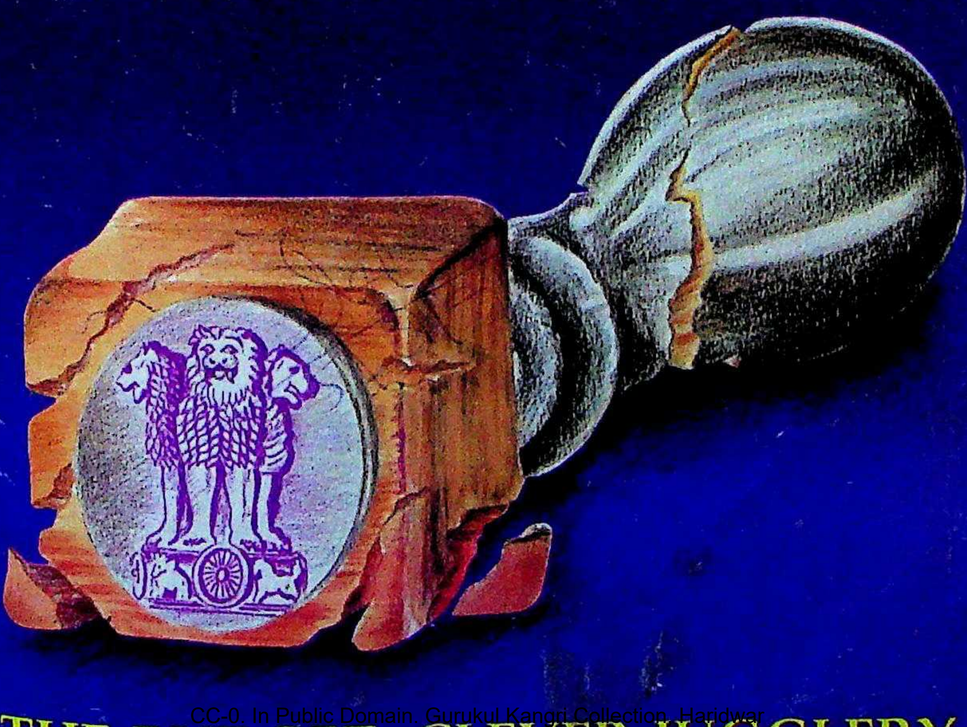
NEW ECONOMIC POLICY

ENDING THE LICENCE RAJ



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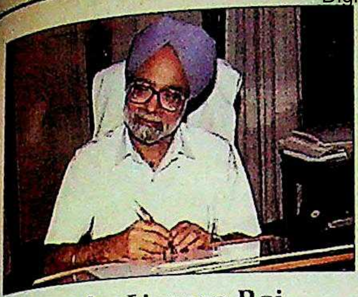

Ending the Licence Raj

The Finance Minister Dr Manmohan Singh pulls off a coup by proposing a radical industrial policy with massive liberalisation, but pulls back with a pedestrian budget which tackles—somewhat—the fiscal deficit, makes populist promises, and is vague about India's economic future.

COVER STORY.. 22

Troubled Opposition

Trouble brewed again in the Janata Dal, with Ajit Singh's letter to V.P. Singh blowing the lid off simmering internal tension. The Left, meanwhile, emitted confusing signals—senior CPI(M) leaders struggled between their public anti-Congress(I) stand and private preferences.

SPECIAL REPORT.............................. 39

Colourful Chaos

There is a lot of colour, not just political, in the tenth Lok Sabha with awestruck debutants, glamorous film stars and swamis. In the first session Chandra Shekhar and Atal Behari Vajpayee shone in repartee and oratory, and the 'Sita brigade', of 10 BJP women MPs sparkled in colourful sarees.

SPECIAL REPORT.............................. 34

Spectre of Secession

In the fourth of the series of INDIA TODAY debates, Prem Bhatia, Sat Pal Dang, Govindacharya, Harinder Singh Khalsa, Kuldip Nayar, Subodh Kant Sahay, Vasant Sathe, Amarinder Singh, Dilbir Singh and Sukhjinder Singh make startling revelations while discussing Punjab.

CROSS FIRE.. 83

A Dubious Twist

The SIT probe into the assassination of Rajiv Gandhi has come under a cloud with the death of key witness Shanmugam under suspicious circumstances. Investigations reveal that the police version of suicide is riddled with loopholes, and Shanmugam may have actually been eliminated.

SPECIAL REPORT.............................. 37

The Call of Kuwait

As Kuwait struggles to reconstruct, Malayalees are once again looking gulfwards. Despite fears of Kuwaiti restrictions on foreign workers, especially Indians, they have started moving once again in hordes to the war-ravaged but oil-rich sheikhdom. Kerala may once again witness a boom.

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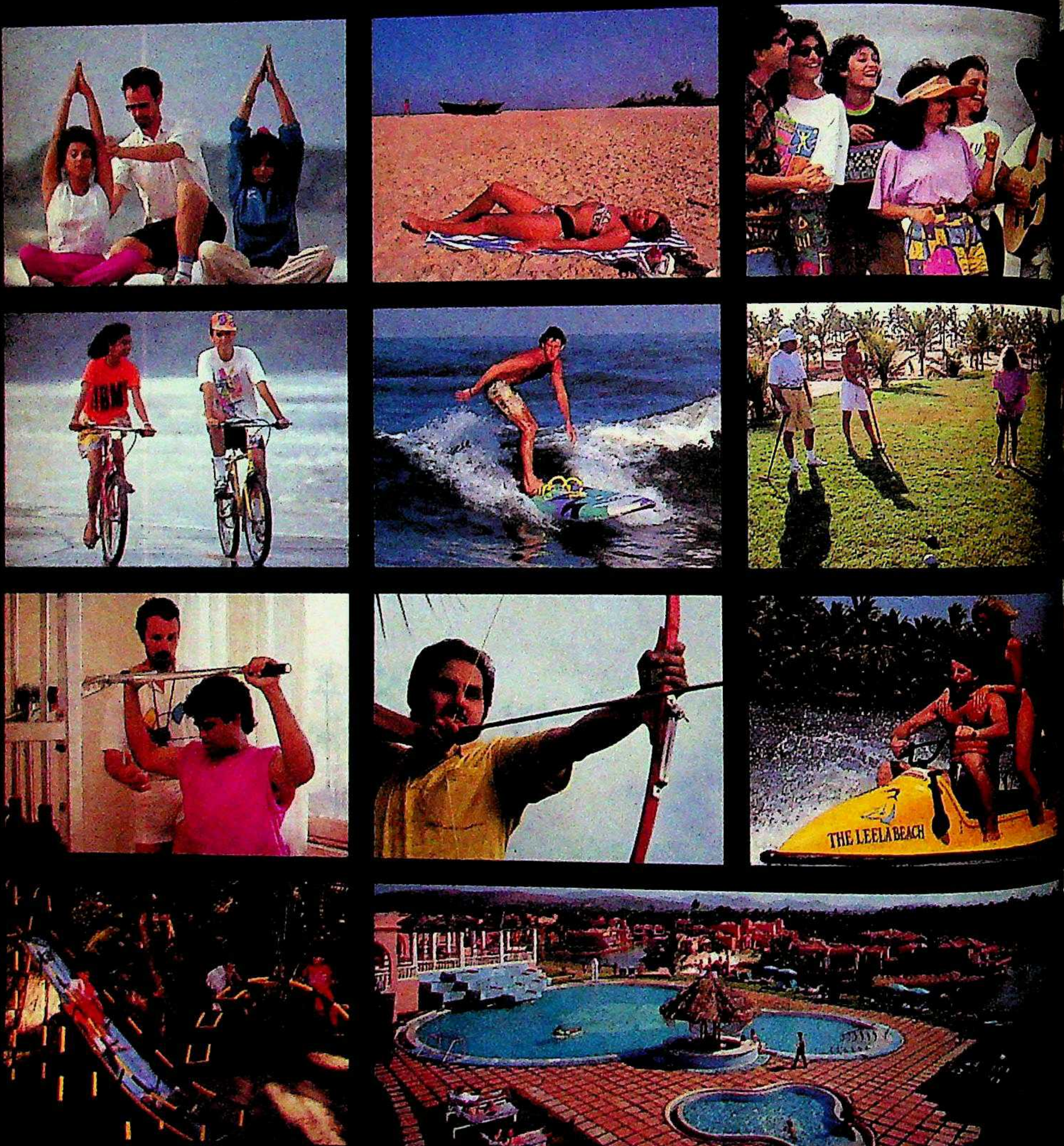
Cover design by PEALI DUTTA GUPTA

Here are a few things you can do at The Leela Beach between 7:30 a.m. and 7:30 p.m.



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FOREIGN FUNDS

The time has come for India to make a clear economic choice ("A Bold Gamble", July 31). No half-hearted measures will do because the bills of 40 years of socialist waste and mismanagement are now due. Only full-scale economic liberalisation will save India from the cycle of self- imposed poverty and corruption.

Houston, US **KALAPI D. SHETH**

■ The finance minister states that devaluation of the rupee will bring large amounts of foreign currency into the country. This is not true. Taxation is so high that it is impossible to accumulate wealth. Under these conditions if investment is opened to foreigners and NRIs, then the economy will slip entirely into their hands.

Madurai **K.S. CHOCKALINGAM**

OLD AGE BLUES

Though the new prime minister is an experienced and dignified person, poor health will make it difficult for him to meet the challenges facing the country ("Back To The Old Guard", July 15). It is amazing that a government employee is retired at the age of 58 but a prime minister is expected to run an efficient government at the age of 70.

Gwalior **ANAND NIGUDKAR**

■ It is a national disgrace that a country of 800 million could not find a charismatic leader to head the Government and had to resort to a 70-year-old heart patient to be the prime minister.

Lucknow **UMESH KAUL**

■ If P.V. Narasimha Rao contests from Maharashtra he will be forced to be submissive to the sugar lobby. Rao should contest from Andhra Pradesh, prove his mass base, and dispel all existing doubts about his leadership.

Thalaserry **K. MURALIDHAR**

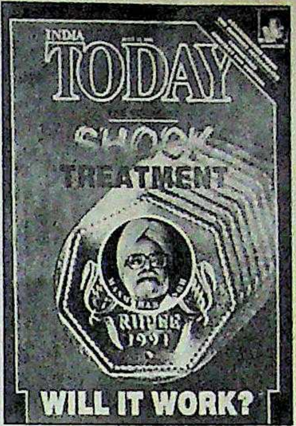
■ The post-poll scenario should remind political parties of the words of Edmund Burke: "When bad men combine, the good must associate, else they will fall, one by one, an unpitied sacrifice in a contemptible struggle."

Bhopal **R.S. PILLAI**

FORGOTTEN FACTOR

I take exception to your highlighting the fact that there are seven women, five Muslims and five Christians in the Cabinet ("Familiar Faces", July 15). I understand this has political relevance but so does the caste factor. If you had to do a break-up of the Cabinet, you should have done a complete one as caste plays an important role in the elections.

Aligarh **AMIR ALI KHAN**



The current economic crisis has its roots in the faulty structural planning of the past 40 years. Our pursuit of a pseudo-socialist model is to blame.

Bombay **RAJENDRA K. ANEJA**

Resorting to full-scale privatisation of the public sector cannot be the answer for all our ills. What is needed is a cautious, realistic approach.

Farrukhabad **M.S. SIDDIQUI**

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■ The present political scenario inspires little confidence, what with politicians busy with manipulation based on caste and religion. Such thinking seems to have permeated the pages of INDIA TODAY too. Your entire assessment of the new Government focuses on this. If the politicians don't care for the future of the nation, should we also degenerate to their level?

Bangalore **NIKHIL NAYYAR**

UNDER CONSIDERATION

Although we have a long-standing request to visit India, including the states of Punjab and Jammu & Kashmir, we have not been told by the Indian Government—informally or otherwise—that security considerations prevented us from visiting the state ("Advantage India", July 15). We have only been told that the Government will consider our request.

London **RICHARD REOCH, Amnesty International**

UNENDING AGONY

The decision to postpone elections in Punjab may appear wise for the time being ("Floundering Move", July 15). But it would only mean continuation of the macabre dance of death in the state. Punjab desperately needs a strong and effective government and politicians should ensure that it gets one.

Deoghar **JITENDRA KUMAR SINGH**

SOLE WINNER

The BJP has been the only gainer at the recent hustings ("What the results mean", July 15). While the vote-share of all other parties dipped, the BJP managed a swing in its favour, in spite of Rajiv Gandhi's assassination. The BJP has finally emerged as a national party and a viable alternate to the Congress(I).

Varanasi **ABHINANDAN K. SINGH**

■ The BJP fared worst in Tamil Nadu, polling only 1.5 per cent of the votes. It is peculiar that the party got a majority in Uttar Pradesh which has a large Muslim population while it failed to get even a single seat in Tamil Nadu.

Madras **C.T. VAIRAVAN**

PAYING THE PRICE

Now that the LTTE hand in Rajiv Gandhi's assassination is established ("The

Inside Story", July 15), it is the paramount duty of the Sri Lankan Government to wipe out the menace from the island. We should not have interfered in the internal affairs of that country. It was a blunder which we paid for, and heavily.

Bombay **A.N. VEERA RAGHAVAN**

■ In your story it is mentioned that Bhagyanathan, arrested in connection with Rajiv Gandhi's assassination, is a young Dravida Kazhagam activist. We would like to officially deny this.

Madras **KALI POONGUNDRAN,**
secretary, Dravida Kazhagam

USELESS EXTRAVAGANZA

Doordarshan spent Rs 4 crore—recovering Rs 2 crore from advertisements—on election coverage ("Tantalising Triumph", July 15). And an additional Rs 22 lakh was paid to Prannoy Roy. Such expenditure seems out of place in a country where people cannot afford two square meals a day. Is it any wonder then that India is almost broke.

Shimla **PRAMOD SUD**

CHEAP THRILLS

Your review of Shobha De's latest novel was indeed an apt one ("Pssst", July 15). The sludge churned out can hope to fulfil only one purpose—serve as a reference journal for confirmed voyeurs and potential perverts.

Chandigarh **KANCHAN KUMAR**

SORRY SHOW

We are pained that you have degenerated to the level of absolute sensationalism to increase circulation and profits in your story on second marriages ("New Beginnings", June 30). The writer has attributed to us a quote that was printed out of context. I am not a politician and therefore do not think you needed to sensationalise my statement by taking it out of context. This has been verified with your correspondent in Calcutta, Ruben Bannerjee. At no stage did I state that my "parents baulked at the idea of their eligible son marrying a 'woman of easy virtue' ". What was said was "it is generally perceived that a divorced woman is of easy virtue". This, you will agree, is not the same as my saying that my wife is of easy virtue—a fabrication on the part of the writer.

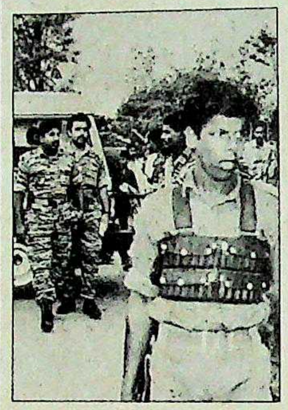
Burdwan **SOUMIT DUTT**

■ *The quote was inadvertently taken out of context. We apologise for any embarrassment caused to the couple.*

—Editor

LTTE should stand for Let's Talk Through Explosives. You tend to glorify it but on the battlefield it would not last a day, not even against the Lankan Army.

Texas, US **PETER DRASS**



The manner of Rajiv Gandhi's assassination renders one speechless. It would be a mistake to presume that no Tamil Nadu politician had a hand in it.

Visakhapatnam **C. PRASAD**

CLARIFICATION

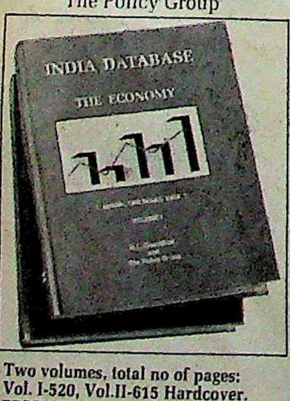
In our July 15 issue, the credit line was mistakenly omitted for the photograph which appeared on Page 26-27, showing a fire smouldering at Rajiv Gandhi's feet seconds after the bomb explosion at Sriperumbudur. The credit line should have read M.A. Parthasarathy/Ananda Vikatan. The error is regretted.

—Editor

MIXING MONTHS

Jawaharlal Nehru was taken ill during his visit to Bhubaneswar in January 1964 and not in May, as you had mentioned in your report ("Presaging Death", June 15). And it was on May 27 the same year that he passed away.

New Delhi **R.C. MODY**



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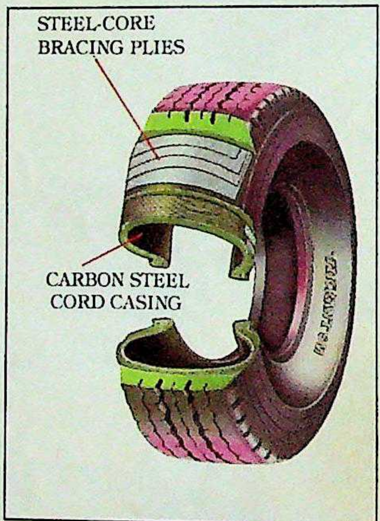

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nd buses? Has anyone followed Vikrant's treadsteps?

ndia. The result is that India now as access to a special tyre that can ring down fuel bills by 4%. Consider his logic: if a transport corporation ere to radialise 10,000 buses, it ould, with the avings on fuel lone, add ore than *one undred new uses* to its leet every year. n additon, the orporation ould reduce nual tyre expenses because ikrant's All Steel Radials travel wice as far as conventional tyres. he expected lifespan of a Vikrant ll Steel Radial can be a staggering 00,000 kilometres or more. If this s the case for All Steel truck and us Radials, as indeed it is, then why haven't other tyre companies invested in this technology? One wonders. Vikrant has shown that the Radialisation of public and goods transport isn't a simple matter of technology transfer. It requires the spirit of a pioneer, a deep understanding of the severe conditions and loading practices prevailing in the country. It requires expertise to create an All Steel Radial for this environment. The challenge is really that. A challenge that the others haven't yet been able to meet.

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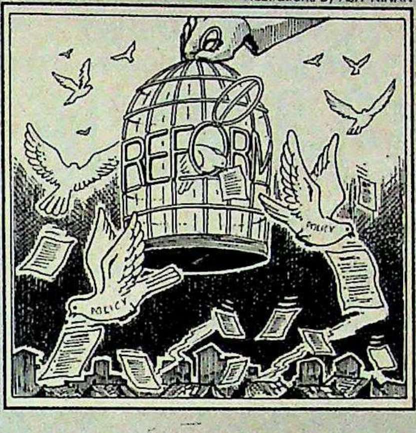
Lufthansa

Act with Resolve

Illustrations by AJIT NINAN



THE minority Government of Prime Minister P.V. Narasimha Rao had smooth sailing on two critical issues: the election of the Speaker and the passage of the confidence motion. But winning a confidence motion so early in the game should not make for complacency. For the toughest part still lies ahead as the Government begins to implement what is the most radical economic reform package ever undertaken in the history of free India.

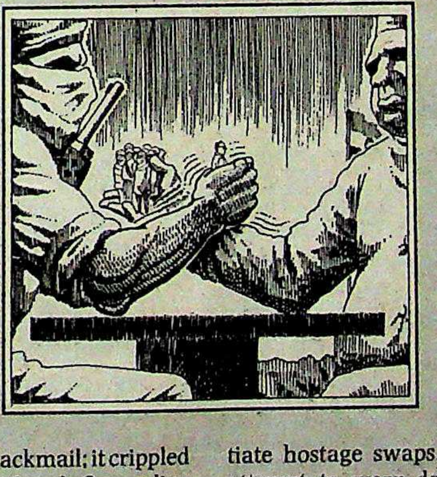
All reasonable people with an interest in getting this nation moving and keeping pace with the exciting momentum of free-market changes that have been sweeping the rest of the world are agreed that the Rao Government should not only be applauded for embarking on its current course but also that it should be prevented at all costs from slowing down or backing off. For aborting the changes now under way—already a decade too late—which are a long-term prescription for India to shake off its slothful and lethargic pace of economic growth and to stake its own competitive place in the global market, would be to court economic and social ruin.

The task for which the new Government must prepare is onerous. It will require sweeping clean the Augean stables of bureaucracy and vested interests opposed to change. Once the euphoria of the rapid-fire reform measures has died down the challenges will multiply and the task will not be for the weak-willed.

For one thing, the Congress party and its leaders are not really dedicated reformers. The initiative has come from the top and its early acceptance by ministers and party bosses is more from compulsion than conviction. Conviction can triumph over compulsion only if those dedicated to the task are far-sighted and unflinching. This also requires a nuts-and-bolts job of proper management.

The need is not just to take the Opposition into confidence, but as importantly the party and the country. The last election was not fought on the issue of economic reforms. As they begin to hurt farmers, labour, middle classes, industrialists, Congressmen will react to pressure from their vote banks and resistance will develop. It is therefore imperative that Rao and his Government launch an immediate comprehensive and coordinated mass-education programme—much in the way of a national election campaign—to carry the people with them in this crucial effort. There is little time. Too much at stake.

Held to Ransom



TODAY'S emboldened attitude of terrorists in different parts of the country—particularly their emphasis on kidnapping innocent people to secure the release of prisoners—is a direct legacy of the V.P. Singh government's worst blunder: its abject surrender to JKLF separatists to obtain the freedom of Rubaiya Sayeed on December 13, 1989. The near-immediate release of hardcore militants in exchange for the former home minister's daughter had three long-term consequences: it gave heart to terrorist organisations that they were dealing with a soft state vulnerable to easy blackmail; it crippled the Government's ability to enforce a uniformly firm policy in dealing with future cases; it sent signals that the Government had double standards, one for VIPs, and another for ordinary people.

In the Valley alone there have been some 40 kidnapping cases with members of terrorist groups seeking the freeing of members who have been clearly involved even in murder. In fact, the kidnapping of Indian Oil Corporation Executive Director K. Doraiswamy by the Ikhwan-ul-Muslimeen appears to stem from the confidence the group gained from an earlier experience with the Government. This same organisation had kidnapped Nahida Imtiaz, daughter of National Conference former MP Saifuddin Soz and the Government succumbed to their demand for the release of top militants.

The scourge has spread now to the North-east where ULFA has been taking hostages. And the new state Government, in unprecedented surrender, released 242 ULFA detainees.

All this ignores the world's experience in dealing with terrorism. Today, nations which have borne the brunt of it—the UK, the US, Israel, Turkey—simply do not negotiate hostage swaps. They mount rescue operations or attempt to wear down the adversary with protracted negotiations while stepping up pressure on him.

The Indian Government has been treading on dangerously thin ice in emitting soft signals on this issue. Any escalation of this trend spells nothing short of disaster. Imagine, for example, a spate of kidnappings by the LTTE with an accompanying demand that all suspects in the Rajiv Gandhi assassination be set free. Before such a situation should develop, the Government should make a determined effort at showing its muscle rather than revealing an underbelly of flab.

BHADRACHALAM
PAPERBOARDS
LIMITED

An enterprise promoted by I.T.C. Limited

PEOPLE-THE DECISIVE DIFFERENCE

SPEECH OF THE CHAIRMAN, SHRI K.L. CHUGH, AT THE FIFTEENTH ANNUAL GENERAL MEETING OF THE COMPANY ON 3rd JULY, 1991, AT HYDERABAD.

> *Changes in the policy framework would encourage the Industry to become a capable world player and a significant foreign exchange earner, and as I have often said, a major employer in the Rural Sector.*

I am pleased to welcome 2,667 new Shareholders who have become Members of the Company during the last year raising the total number of Shareholders to 14,724.

Last year's results are a continuing tribute to the unrelenting efforts of your Company Employees and I take this opportunity to express, on your behalf and on behalf of the Board of Directors, our appreciation of their efforts. Despite adversities in terms of floods and some temporary personnel issues, **profit after tax increased by 91%, to Rs. 15.47 crores, with earnings per share improving to Rs. 14.64 from Rs. 7.67. Capacity utilisation during the normal working period, at 138%, was an all-time high. Considering the good performance of your Company, your Board has recommended an increased dividend of 37.5% compared to 32.5%** in the previous year. Investors' confidence in your Company is reflected in the high price of your Company's share, which has for the first time crossed the price level of Rs. 150/-

Coupled with the above facts is the reality that your Company has brought progress, opportunities, and new light and life to a backward area. These verities must give you cause for satisfaction as owners. It makes you investors in progress and enriches the quality of the returns which you earn on your investment.

You will recall that last year I had shared with you that your Company was embarking on a market expansion strategy to ensure profit, growth, and survival. This meant that whilst we would retain our position in traditional strongholds, we would be entering the high-value premium segment of the market. I am pleased to communicate that in furtherance of its competitive strategy, your Company has successfully developed, through Research and Development, high-value products, both for the domestic and the international markets. **You are aware that your Company has been pro-active, and has made timely investments in the last few years, the benefits of which we are now reaping. To further fortify our position in the Industry, we will continue to make substantial investments in modernisation, quality upgradation, balancing equipment, and capacity expansion.** All this would require substantial liquidity. In this perspective, your Board has transferred Rs. 11.5 crores to General Reserve this year, raising the total General Reserve to Rs. 36 crores.

Amongst the most important sources of competitive advantage is superior energy management. The commissioning of the Atmospheric Fluidised Bed Combustion Boiler, with a turbo-generator of matching capacity, completes the total energy project which shields your Corporation from the vagaries of external power supply and arms the Organisation with further competitive edge.

> ***To enable the Industry play its role, both in the national and international perspective, Government Policy must encourage investments not only for modernisation of existing capacities, but also for establishing fresh capacities, ...Towards this, the import of critical capital equipment will need to be encouraged at rates of import duty much lower than the prevailing 85%.***

Sharing the national concern on the Balance of Payments position, YOUR COMPANY THROUGH AN AGGRESSIVE AND VIGOROUS EXPORT EFFORT HAS EMERGED AS THE LARGEST EXPORTER OF PAPER IN INDIA. **Our export earnings have increased by 60% compared to the previous year, to over U.S. $ 3.5 million.** The success of our export effort is axiomatic of the fact that the Indian Paper Industry is capable of capturing market niches in the full face of international competition. The present prognosis is that the industry has to gear itself to satisfy a demand of 52 lakh tons by the year 2000. However, in the perspective of the success of our international efforts, we may, indeed, have set our sights too low. Changes in the policy frame work would encourage the Industry to become a capable world player and a significant foreign exchange earner, and as I have often said, a major employer in the Rural Sector.

We cannot, of course, predicate the Industry growth at the cost of the environment or pulp-wood supply from the natural forests. Pulp-wood has to be grown in Captive Plantations and Economy of Scale in mill sizes will have to be built in, with technology that is contemporary, to become competitive and give the consumer, quality products at prices that are internationally competitive. Presently, the Industry is dependent on large imports of raw materials, both pulp and waste paper, consequent to the ban on supply of pulp-wood from natural forests. As a measure of conservation, the Government had placed import of raw materials under open general licence and had also exempted it fully from customs duty. It is unfortunate that customs duty of 40% on waste paper and 10% on pulp has since been imposed making domestic production very expensive. This is likely to become counter-productive and would stifle the domestic industry. The eventual outflow of foreign exchange to import the finished product to bridge the supply/demand hiatus will be higher than the outflow of foreign exchange to import raw materials for use by the Industry in India.

Paper Industry has always been capital intensive. The last few years have, however, witnessed the capital intensity escalate very rapidly from Rs. 10,000 per annual installed ton, in 1979 when your Company's mill was established, to approximately Rs. 40,000 per annual installed ton, today. At this cost, the setting up of a mill of Bhadrachalam's size would involve an outlay of over Rs. 300 crores. To enable the Industry play its role, both in the national and international perspective, Government Policy must encourage investments not only for modernisation of existing capacities, but also for establishing fresh capacities. Towards this, the import of critical capital equipment will need to be encouraged at rates of import duty much lower than the prevailing 85%.

> *Perhaps the single greatest upheaval in the traditional paradigms of business is in the area of Information Systems and Organisation Design. Since Information Sytems have increased the span of managerial jobs, it tends to flatten the organisation structure and releases whole layers of people from routine communication, coordination and control jobs. The conventional pyramidal organisation is gradually transforming into an organisation of clusters and networks of people who form, dissolve, and re-form, to resolve issues in a turbulent and dynamic environment.*

In the National Policy Framework, therefore, if the Government -

(1) facilitated the Industry's investments in scientifically managed plantations;
(2) allowed the import of critical capital equipment at rates of import duty that are much lower than prevalent today, enabling the Indian Engineering Industry to add further value; and
(3) in the short term, reduced the customs duty on the import of pulp and waste paper

the Industry would be able to make meaningful strides towards progress and become a source of strength and prosperity to the national economy. Attention of Government, therefore, must focus on these issues which are, in fact, opportunities for Government and Business to affirm their partnership in the Nation's development.

The fundamental task of your Management is to ensure the prosperity of your Company in perpetuity. Continued environmental scanning reveals opportunities in the Financial Services Industry. These opportunities are matched by complementary skills within your Organisation. Diversification into this Industry would create new income-streams which will further strengthen your Company. It is considered advisable therefore to enter this business on a long-term basis through a wholly-owned subsidiary. The investment in this company to start with will not exceed a sum of Rs. 5 crores, with your Company having the controlling interest. To infuse strength into this diversification proposal, it is necessary to integrate certain intangible assets which rightly belong to your organisation. As members, you are aware that Bhadrachalam Paperboards Limited was promoted by ITC Limited. In its embryonic years ITC Limited nurtured Bhadrachalam through its trials and tribulations. Since Bhadrachalam Paperboards Limited is an integral part of the ITC Group, it is proposed to change the name of your Company to 'ITC Bhadrachalam Paperboards Limited'. The intangible assets of two strong and vibrant names - ITC and Bhadrachalam - will not only further strengthen your Company, but will also infuse a competitive strength to our new proposed Financial Services Organisation. I look forward to your support for these proposals.

PEOPLE - THE DECISIVE DIFFERENCE

I now come to today's theme which is dedicated to the people who make things happen. THEY MAKE THE DECISIVE DIFFERENCE. Human Resource is the prime mover of advancement and development. The strides that companies and, indeed, countries make is founded on the ability of leadership to tap the productive genius of a people. However, to develop people appropriately, it is necessary to comprehend the emerging scenario and the environment in which they will have to perform.

THE CHANGING BUSINESS ENVIRONMENT

Ours is a protected economy and this has impeded accelerated accretion to national wealth. Undue protectionism has created a high-cost, low-quality economy. Res

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balising world, our competitiveness is poor. This reality is reflected in our e of Payments and Internal Debt position, which has reached crisis proportions.

st we ponder over our own realities, a new world economic order is rapidly shape. Philosophies and dogmas which held sway for over a century have been ed in less than one year. Throughout Eastern Eupope the cry is to shift from a nd to a market economy. The business-geography of the world is changing with ergence of economic communities ushering in a new kind of citizenship and new compulsions, opportunities, and challenges for countries and companies out the world. These developments will seminally affect the way Nations and tions strategise to ensure their growth and survival and prove their 'good te citizenship'.

work-force and personnel of the future, will contain numerous specialisms which interact synergistically. Business leaders must encourage and create the stance for team building and productive collaboration between Specialist and al Managers to achieve business results.

meet the challenge posed by these rapid changes, it may be necessary to on the fundamental precepts of the model followed by us till now, which places at the centre of the developmental process. I believe that Capital should now be ed by People who should occupy the centre stage. Of the seven basic resources manager (Men, Machines, Materials, Money, Time, Land and Ideas), it is the resource that creates value and achieves the productivity necessary for success. en must be the framework for human resource strategies? What will equip the of Tomorrow to manage the market, products and technologies in the emerging economic order? Answers to these questions is a Top Management responsibility. Top Management must prepare its people to face the challenges ahead and perpetuate the Organisations they govern.

EATING AN INTERNATIONAL PERSPECTIVE

create the market-driven companies of the future, we will have to develop an international perspective in our employees to facilitate the required change. Traditionally ple have confined their perspectives to within National boundaries. The ing demands make this perspective obsolete.

e sphere of Marketing, as the future unfolds, perceptions of the customer are ing from a Mass Market in the 50s and 60s to a Segmented Market in the late 70s s and now into a matrix of niches with a very demanding product and service tion criteria. To succeed in a stochastic marketing scenario, we will have to ore the basic maxim of marketing, that the customer must come first. We must that marketing expenditures are in fact investments in creating competitively r products and services. Marketing processes must not be limited to the ing function but should include the entire organisation, and strategy must te the various structures and functions of an organisation to deliver satisfaction to omer on an on-going basis. Cross-cultural and international marketing will e the induction of skills and the infusion of marketing knowledge through training mes within the Company.

nology ingestion will have a significant impact on almost every aspect of s. The technologies of yesteryears which were based on conventional electrical, nical, and chemical engineering, are now being overtaken by new knowledge in ectronics, semi-conductor, genetic engineering, and robotics. Strategic alliances e to be forged to facilitate skills and knowledge transfers to create globally ive concerns. These new alliances, knowledge, and technologies create nities for learning and training a new breed of people. The ingestion of this new y will create new opportunities for human resources development in a ional context.

haps the single greatest upheaval in the traditional paradigms of business is in the Information Systems and Organisation Design. Powerful new software in On-Expert, and Executive Information Systems have been developed. These in tandem tware breakthroughs in Cellular Radio Technology, Optical Storage Media, and Networks, have made Information Technology increasingly people friendly. The nificant area of the effects of this Technology on the modern organisation is in ere of Organisation Design. Since Information Sytems have increased the span agerial jobs, it tends to flatten the organisation structure and releases whole of people from routine communication, coordination and control jobs. These s can be retrained and redeployed.

ership must encourage risk-taking and innovations to face the changing nges that organisations have to deal with in the emerging world economic order. s must allow for occasional failure, as a process of learning.

e conventional pyramidal organisation is gradually transforming into an organ of clusters and networks of people who form, dissolve, and re-form, to resolve a turbulent and dynamic environment. In the 'flattened' organisation structures companies, compensation packages will not necessarily follow the logic of pyramid. Infusing knowledge into, and empowering the work force will create itment necessary for competitive success and will prevent undesirable ence and turnover.

other area has the future arrived faster in our 'global village' than in Financial ement. In this area Information is directly linked to competitiveness in the trade of l instruments. These developments in Financial Management will facilitate ed investment opportunities, and the emergence of tailor-made products for y defined customer segments. Expertise in currency management and funds ent will have to be created. The role of the controller will now progress from l Accounting and Management Accounting to a new form of Strategic Business nting.

EPRINT FOR THE HUMAN RESOURCE

itionally the accounting treatment of people classifies them as 'costs' rather than ment. How often have we heard that 'People are our greatest asset'? The tragedy is that this is becoming a cliche. Actions have belied words, and the wrong kind of compromises have been made which have affected the credibility of leadership. In India over protection and lack of competition in the economy has created a situation leading to a continuous outflow of human talent which aspires for meaning in their work, as well as improved monetary rewards. It has given us the luxury of accepting mediocrity. Managerial practice has often used talent but rewarded mediocrity for their own comfort. This style of management is a complete anathema to the internationally competitive organisation we want to create and establish.

In formulating our blueprint we must begin with the creation of an Organisational Philosophy. This Philosophy must have the active commitment of people. It must not be so esoteric that it is difficult to comprehend throughout the company. Most importantly it must be seen to be practised. In fact, it is better not to have an organisational philosophy at all, rather than to have one which is denied every day in our work practices. This affects morale adversely and breeds cynicism in the Organisation. In Bhadrachalam we knew that our people could share a common vision only if that sharing was rooted in a common culture. Over the years our organisation's philosophy based on knowledge, candour, understanding, commitment, hard work and mutual respect, has created a vibrant culture which has enabled your Organisation to achieve pinnacles of productivity. To paraphrase a verse in the Rig Veda 'there is union amongst us because of the common wishes of our hearts.'

Based on our philosophy and culture, people policies and practices in Bhadrachalam, have been formulated. We have tried to foment a sense of fraternity, togetherness, and belonging. We have emphasised the pre-eminence of the team and have underscored the reality that the output of hard working teams is greater than the sum of the individual inputs of the persons who comprise the team. We have given competitive monetary rewards, have ensured hygenic work and living space, and have created the availability of the basic amenities for health and education. In short, we have designed and delivered an anxiety-free environment, conducive to learning, performance, productivity, and progress. These actions have been fundamental to the success of your Company which was facing the challenge of creating a successful enterprise, and a new culture - in a backward area and in a very competitive industry. As a measure of our commitment to learning your Company is establishing a Research Centre, which will pursue research and harness actionable knowledge relevant to business management practices in India.

As we take ourselves forward to grow and carve a niche in international markets, we can take sustenance from our past investments. **If learning has become an organisational habit, we can face the future of discontinuous change with confidence.**

To make work productive and people achieving, we have to effect the transition from the managing of personnel to the leadership of people. To achieve this successfully, leaders must:-

First, shift their role from the directing to the development of the human resource. In the rapidly changing markets and customer requirements of the future, with far-flung operations, it is impractical to direct the work force in the traditional sense. The development of people, and infusing them with new knowledge and learning is the sure formula for future success.

To effect the transition from national performance to international entrepreneurship, strategies will have to be formulated around the development of the human resource.

Secondly, leaders must provide parameters for employees to become increasingly self-managed. The employees of the future will desire a degree of autonomy and psychological ownership of the jobs which they perform. This will give them a sense of achievement and will enhance cosiderably the productivity of their efforts.

Thirdly, the work-force and personnel of the future, will contain numerous specialisms which need to interact synergistically. Business leaders must encourage and create the circumstance for team building and productive collaboration between Specialist and General Managers to achieve business results.

Fourthly, speed has become the watchword. The one common denominator in all dimensions of business in the future will be managing the increasing rate of change. Business leaders must adopt practices which stimulate speedy responses from the organisation. To achieve this, decision-making must be decentralised to the lowest level possible and people must feel 'empowered', to act rather than to keep seeking permission. To improve the quality of decision-making, business leaders must ensure that employees have access to the necessary information which is required for the making of their decisions.

Finally, leadership must encourage risk-taking and innovations to face the changing challenges that organisations have to deal with in the emerging world economic order. Leaders must allow for occasional failure, as a process of learning.

In developing our blueprint for the management of the human resource, it must be underscored that what we need is not meetings, seminars and proclamations; but action.

But no meaningful human resource strategy can ignore our senior citizens. The retired human resource is still an employee on pension and as elders and ambassadors of the Corporation, their interests and well-being must continue to command our due attention. Organisations that value people must prepare them to lead lives of fulfilment and achievement even after they have finished their years of productive service in the Organisation.

CONCLUSION

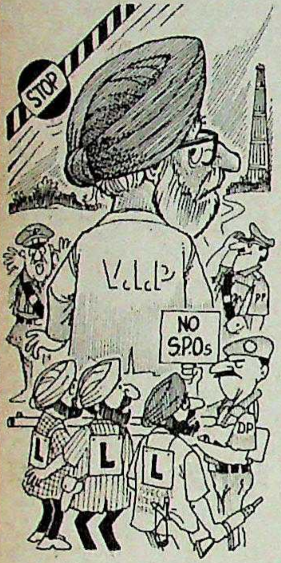
In conclusion, the performance of your company during the last year, and indeed, over the past eleven years, gives us cause for satisfaction and sanguinity. The efforts of your employees have made your Organisation a leading entrepreneur on the national scene in the paper industry. But there are developments in the environment which will engulf us and compell us to make changes that enable us to succeed in the emerging international economic order. To effect the transition from national performance to international entrepreneurship, strategies will have to be formulated around the development of the human resource. To implement these strategies will not be an easy and painless task. But there is no alternative and no escape from this challenge. Let us therefore commit ourselves and move ahead with determination and confidence.

This does not purport to be a report of the proceedings of the 15th Annual General Meeting

ULKA-H-BCM-16001

Checking Security

● The Ministry of Home Affairs (MHA) is using its typically perverse logic to curb growing terrorist violence in the capital. Unable to prevent Sikh terrorists from entering the city, it has instead barred the Punjab's armed Special Police Officers (SPO) from Delhi. The SPOs are civilians, recruited to protect VIPs belonging to the state.



A communication from the MHA to the Punjab Government says: "These SPOs lack the training required of a security officer...and the antecedents of a large number cannot be vouched for."

Henceforth only Punjab Police personnel, whose antecedents have been verified, will be allowed into Delhi. But they will have to confine themselves to their ward's place of stay. The VIPs' security will be the responsibility of the Delhi Police, which doesn't inspire much confidence. Adding insult to injury, the MHA has asked the Punjab Government to post a senior officer to Delhi to supervise their personnel.

Complains a state government official: "You will need a dormitory to house SPOs on the outskirts of Delhi unless the Delhi Police arrange to escort the VIPs back. Or you'll have different yardsticks for Punjab and Delhi." That one thought was a foregone conclusion.

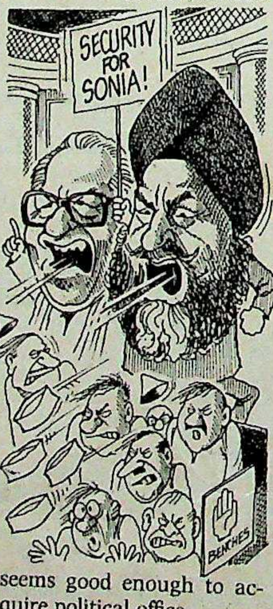
Playing Politics

● Old habits die hard. The Congress(I) shouting brigade, Ratnakar Pandey and S.S. Ahluwalia, is back in business. Unable to embarrass political opponents much, their lung power is aimed at the Government.

Ostensibly, they are angry about the Government's 'apathy' towards Sonia's security. They feel there is a conspiracy to liquidate the Gandhi family. Therefore Sonia must be provided with maximum security.

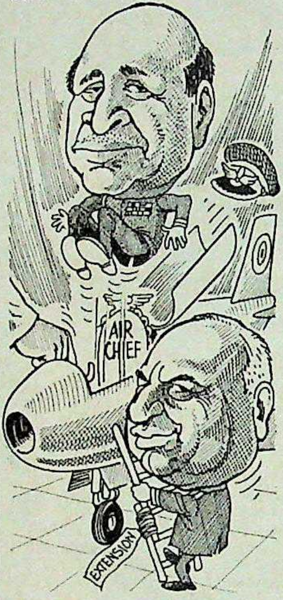
But Congress(I) insiders claim that the shouting brigade's solicitude towards 'Soniaji' has less to do with her safety than with their pique with Rao for not being accommodated in the council of ministers. Any handle seems good enough to acquire political office.

Cartoons by AJIT NINAN



Flying Foul

● In its last days, the Chandra Shekhar regime made some controversial air force appointments, including that of Air Marshal N.C. Suri as the new air force chief. Outgoing Air Chief Marshal Mehra, and the next in line, Suri, were both to retire at midnight on July 31. On an extension since March, Suri could have been given another to let him take over. But that would have generated unnecessary controversy.



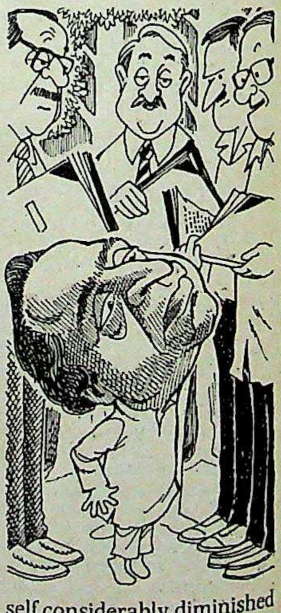
So the Government devised an ingenious scheme. Mehra would hand over charge in the forenoon of July 31, half a day before he retired. And Suri would take over in the afternoon, hours before retiring.

Many feel the decision should have awaited the new Government. But the grapevine maintains it was done at the behest of a senior defence ministry official. Suri's retirement date ensures the bureaucrat's nominee succeeds him.

Tall Orders

● Observers are intrigued by the fact that almost all the officers above the rank of joint secretary in the Ministry of Environment and Forests are extremely tall. The team is led by Secretary R. Rajamani who is six feet four inches, and has trouble keeping his head straight in the elevator. Almost everybody else, including the inspector general of forests and a clutch of joint secretaries—a total of eight officers—are above the six feet mark. K.M. Chadha, the only senior officer who falls below that level, was recently shifted to the Ganga Project.

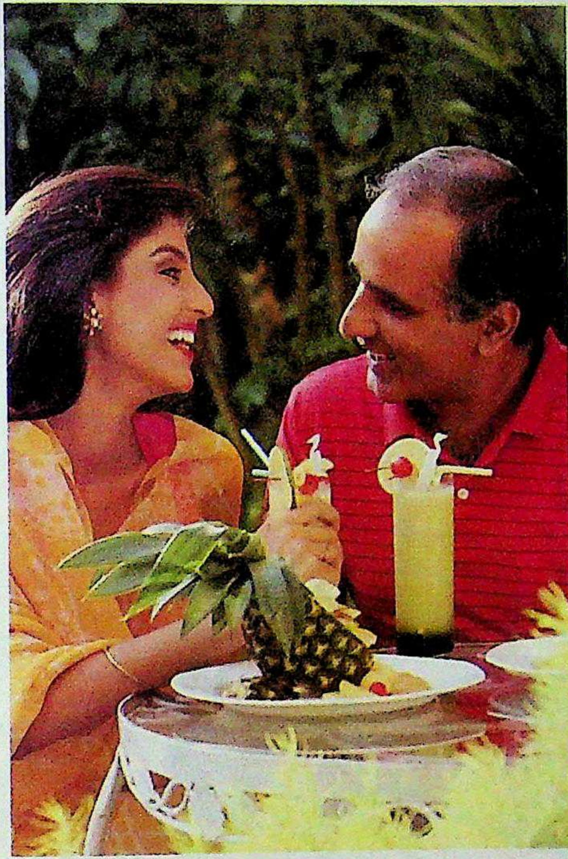
The upshot is the new Environment Minister Kamal Nath, at a natty five-foot seven inches, finds himself considerably diminished walking into a group of his senior bureaucrats. And has to do all kinds of things to keep his authority intact. Meanwhile, the standing joke between scribes and officers covering Maneka Gandhi's former fiefdom is that the Paryavaran (Environment) Bhavan equivalent of Deep Throat will be 'Tall Tree'.



TAIL PIECE

There is considerable resentment about the coterie getting Cabinet positions without having any political base. As a frustrated cabinet minister helplessly remarked: *"Gaadi to hamari hai, par kya karen petrol to unke pas hai."* (We might own the car, but what do we do, the coterie has the petrol.)

This week-end on business,
make memories together.
At the Executive Club.



*We'll fly your wife out to join you**

When you jet out to the Executive Club at Delhi,
Bombay, Bangalore or Madras, we'll fly your wife out to join you.
For the week-end. At our cost.* So, now the two of you can
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Another long itinerary has been drawn up. Another hectic trip is about to kick off. Another time, you know where you'll find yourself. Between meetings, between hotels, between flights, between places. Literally living out of a suitcase. But now V.I.P. helps you do it in style. With Odyssey — world class ABS luggage. Open it and what you'll see lining the inside is not loud atin but a quiet, sober suede. The packing space of course is not just space, but rganised space. For instance, the divider that separates files from clothes also as a zippered pouch for toiletries. A chromium-plated rod eeps ties wrinkle-free and high-grade elastic fasteners hold hings in place. The outside is as sophisticated as the inside. ith a leather-like finish and a sleek black powder-coated rame that ends up in two exclusives. A stylish combination ck and a soft grip handle. Now tell us, how would you escribe the Odyssey. A suitcase... or a support system?

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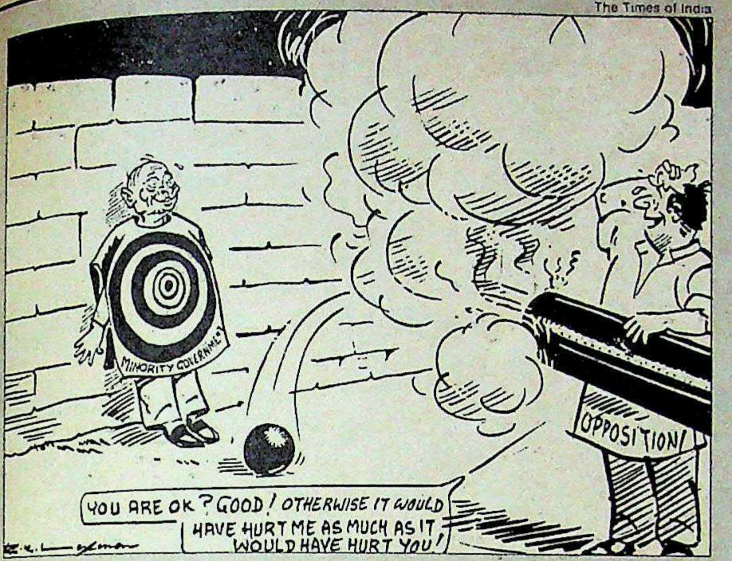
MINORITY GOVERNMENT
OPPOSITION
YOU ARE OK? GOOD! OTHERWISE IT WOULD HAVE HURT ME AS MUCH AS IT WOULD HAVE HURT YOU!
R.K. Laxman

- *It is a government on daily wages.*

■ L.K. ADVANI on the Congress(I) regime at a reception in New Delhi

- *You can't take such drastic steps without taking the people and political parties into confidence.*

■ MADHU DANDAVATE on the economic reforms, in *The Independent*

- *We will take the Opposition into confidence on all national issues.*

■ GHULAM NABI AZAD, Union minister for parliamentary affairs, in *Indian Express*

- *It seems that from now on our own fiscal policy will not be determined by us.*

■ JYOTI BASU on the devaluation of the rupee in *Frontline*

- *Enough protection has been given to Doordarshan and now it is time to open up.*

■ AJIT PANJA, minister of state for information and broadcasting

- *I was a fighter before becoming a minister and will remain so even now.*

■ MAMATA BANERJEE, minister of state for sports and youth affairs in *The Telegraph*

- *I feel sad if evil wins, if even for a short time.*

■ CHANDRA SHEKHAR, on the election results, in the *Indian Express Sunday Magazine*

- *I do not think it is possible. I am sure Narasimha Rao is a gentleman.*

■ K.R. MALKANI, BJP vice-president, on the Congress(I) supporting the National Front-Left combine candidate for deputy Speaker

- *Gravity is not my starting point and my jokes are often misunderstood.*

■ MANI SHANKAR AIYAR on his relationship with the media, in *The Telegraph*

- *Once he had made the commitment, taken on the responsibility, there was no looking back.*

■ AMITABH BACHCHAN, on whether Rajiv Gandhi regretted joining politics, in *Probe India*

- *Liberalisation has to be over a period of time; a sudden change does the country no good.*

■ S.K. BIRLA, president of FICCI, on economic reforms, in *The Economic Times*

- *Frankly speaking, I have the figure for it, so why shouldn't I expose a little?*

■ KARISMA KAPOOR in *Showtime*

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Cartoons by JAYANTO

CLASSY CON

■ Nothing is so injurious to an Indian's mental balance as a job offer. And there seems to be no cure. A family of five, which has made other people's employment its business, ran off with a lot of people's hard-earned money, proving this yet again. The family, which disappeared without a trace one fine morning, had been living in Jadavpur, a southern Calcutta suburb, for the past six months. The infamous five had been wowing people with their snazzy lifestyle and swanky job offers. Working in unison, they took over a lakh of rupees from some not-so-bright hopefuls, who believed the family because it had a classy touch—from important-looking visiting cards with high-sounding designations to believable appointment letters. Now the hopefuls wait at the Jadavpur police station—not for work but for news of their purloined money. And the police embark on yet another elusive con chase.

NUPTIAL NERVES

■ The Calcutta-bound Airbus from Bombay last fortnight was two hours late. So what's new? Well, the reason. It was held up by a couple caught between marriage and bachelordom. The lovelorn twosome, 24-year-old Kanakia and 21-year-old Laltu, boarded the Calcutta flight, aiming to get married there. But at the last minute, they got cold feet. The passengers, thankful that the flight was going to be on time for once, dissuaded the couple from getting off the plane. But once the two reached Calcutta, they found they did not have enough of Mother India's newly-devalued currency to return. An unusually soft-hearted businessman offered the couple Rs 5,000. Only, the booking counter was shut. But this was their lucky day—an airlines official got them their tickets. The couple, on their way home, promised, like prodigal children, to return. Their co-passengers were not amused.

DOUBLE TROUBLE

■ Taking further the little-implemented but much-publicised Congress(I) notion of one-man, one-post, Calicut University has now hit upon the two-men, one-post idea. Even after it was brought to the authorities' notice, they are continuing to pay two men for one post: that of assistant executive engineer. It all began last July, when the university upgraded one of the three posts of assistant executive engineer. The salary, naturally, increased. But another assistant executive engineer, claiming he was senior-most, pleaded with the authorities—they examined his case and decided to upgrade his post too. The Finance Department is not too happy though. It seems the university has only one post of assistant executive engineer and payment to two people for doing the same work is "highly irregular". But the university has chosen to stick with its decision on spending good money on a bad job.

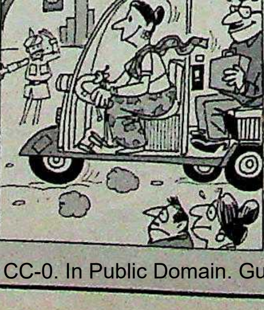
TREE TIES

■ About 500 guests attended the wedding in Bhikanpur village in Uttar Pradesh and the feasting lasted for five hours. The bride was decked up in a red sari, a vermilion wig and traditional jewellery. The *baratis* were received in a grove festooned with paper. About Rs 30,000 was spent on the occasion. No guest control order applied because it was a mangrove being married to a jamun tree. Well, not exactly a tree but a doll made of over 100 cm of jamun. The *kanyadan* was done by the owners. With six mangroves, planted with mangoes in 1983, the owners' family believes the wedding ceremony enhances the quality and quantity of crop.

And the variety is considerable: *langra*, *dasheri*, *chausa*, and *bambeiya*. Nothing, apparently, is quite as sweet as a married mango.

WOMEN ON WHEELS

■ Tired of hard, spine-rattling rides in autorickshaws, Visakhapatnam's administration has taken the soft option. It has decided to hand over the keys of 10 autorickshaws to women. And there may be many more in the offing because the district-level Federation of Mahila Mandals, along with a public sector bank, has trained 20 women and got them licences to show that where man creates chaos woman can restore rectitude. Handing over the keys of the vehicle, the district collector asked the fast-driving *femmes* to make sure their licences weren't overtaken—sorry, taken over—by their husbands or brothers. He also asked them to hire out their vehicles to school-going children so that parents could feel secure. A case of the hand that rocks the cradle gets to drive the kids?



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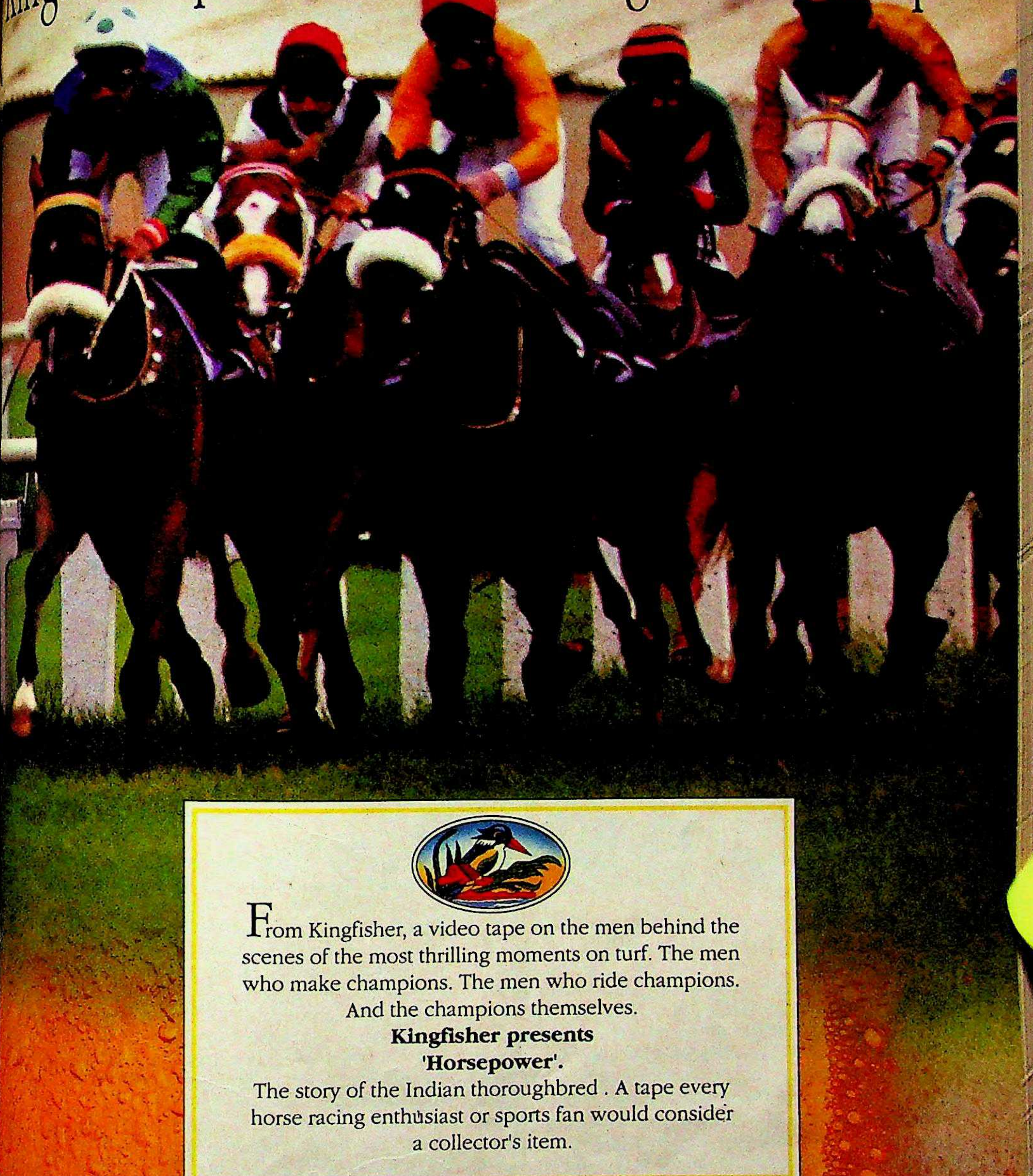

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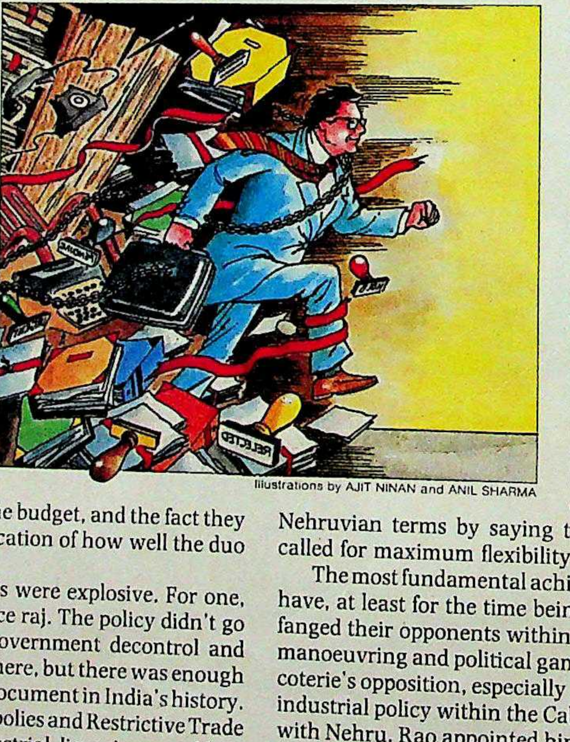


Illustrations by AJIT NINAN and ANIL SHARMA

HERE is something that Rajiv Gandhi forgot to do as prime minister. He talked about taking India into the 21st century, but forgot all about the present one and the opposition it may have the future. P.V. Narasimha Rao, and his finance minister, Manmohan Singh, got it just right. On the one hand, they sang praises about Nehruvian socialism. On the other, they took the country by the scruff of the neck and said move, or we all die. This is the story behind the industrial policy and the budget, and the fact they drew practically no flak is an indication of how well the duo played the game.

The industrial policy proposals were explosive. For one, they heralded the end of the licence raj. The policy didn't go whole hog by suggesting total government decontrol and delicensing of industry in every sphere, but there was enough to make it the most radical policy document in India's history. It proposed getting rid of the Monopolies and Restrictive Trade Practices asset limit totally. Industrial licensing would be abolished for all projects except for a small list of 18 industries. Foreign equity holdings are proposed to be raised to 51 per cent in a project. If all goes well, Indian industry will be free of controls—and the bureaucracy—like never before.

Barely had Parliament recovered from the industrial policy on July 24, when it was presented with a budget that showed deft political footwork. By raising petrol prices, air fare and taxing a host of goods that typified India's consumer revolution, Manmohan Singh walked off with the plaudit of presenting an axe-the-rich budget. Especially, as he simultaneously reduced the price of kerosene and offset a reduction in fertiliser subsidies by proposing to raise crop procurement prices. That kept all the vote-bankers quiet. By not increasing wealth and personal income taxes, the middle class ire was checked, even though inflation has pushed most of them into higher tax brackets. Though corporate taxes were increased and the Government made bank funding even more expensive, the promise of a bonanza kept the industry quiet.

While it may not have been a perfect budget, it certainly was a clever one. Interestingly, while derailing Nehru's licence-permit raj and moving away from the old concept of public sector dependence in terms of new investments and shifting to the private sector as saviours of the future, he couched the exercise in Nehruvian terms by saying that in 1956 Nehru's policies called for maximum flexibility in running the economy.

The most fundamental achievement is that Rao and Singh have, at least for the time being, totally pre-empted and defanged their opponents within and outside the party by deft manoeuvring and political gamesmanship. To neutralise the coterie's opposition, especially M.L. Fotedar who opposed his industrial policy within the Cabinet on grounds that it broke with Nehru, Rao appointed him to an informal committee of ministers. This committee approved the policy with minor modifications; it now had Fotedar's stamp as well. Soon after it was accepted by the council of ministers, and the all-powerful CWC(I). Symbolic of the jugglery is that even while taxing the Rajiv era VCR lifestylers, he has also paid homage to the Rajiv cult by giving Rs 100 crore to the Rajiv Gandhi Foundation.

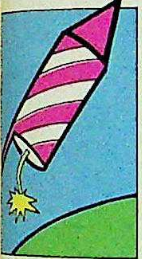
Manmohan Singh softened the Left by consulting them. Moreover, the policy itself pre-empted any charges of IMF-stoogery by not lowering tariff barriers substantially or taking steps to dismantle the public sector or banking. Also, he let it be known that his industrial policy is an extension of the industrial policy V.P. Singh was working on before his fall; and the bureaucrats selling the policy—Montek Singh Ahluwalia and Rakesh Mohan—are the ones acceptable to the V.P. Singh regime. With the BJP there was no problem as that party's free market policies match the Congress(I)'s.

There could be problems, however. Though the licence raj is on its way out, it isn't out of the way. The industrial policy has not yet been translated into action. Also, the Government is trying to do a death-defying act. On the one hand, it plans to follow a deflationary policy by making bank credit even more expensive, which will directly affect industry. On the other, it has thrown open the gates by delicensing, hoping Indian industry will take the plunge and grow, and offset the high cost of money by going to the stock-markets. Or, by cutting down expenses at home. This will hurt, but Rao and Manmohan Singh hope industry will be able to pull it. The way things stand, the price of survival—Indian style—is pain.

PRICES

The only way is up

Reforms will have cost-push effect



MANMOHAN Singh's intention may have been to keep prices low, but the first thing his budget will do is raise them. Practically everything, from cooking gas to sugar, TV sets to cigarettes, and eating out to air travel, will see price rises as a result of the cost-push effect of the budget proposals *(see chart)*. "Only the rich travel by air, I am not worried about them," said Manmohan Singh. "I must apologise to all the housewives, but I could not do otherwise." The message is: get used to inflation, as you simply don't have a choice. Devaluation, of course, has done its bit. With the rupee losing an average of 20 per cent of its value against major foreign currencies, the prices of imported raw materials, including petroleum products, are higher in rupee terms. The reduction in customs duties in some areas will do little to dent the price rise. The Government itself does not believe 1991-92 will see anything less than double-digit inflation. In fact, all its budgetary calculations and projections have been researched on an assumed inflation rate of at least 10 per cent

PRICES: UP AND AWAY
HIKE IN PRICES AFTER THE BUDGET

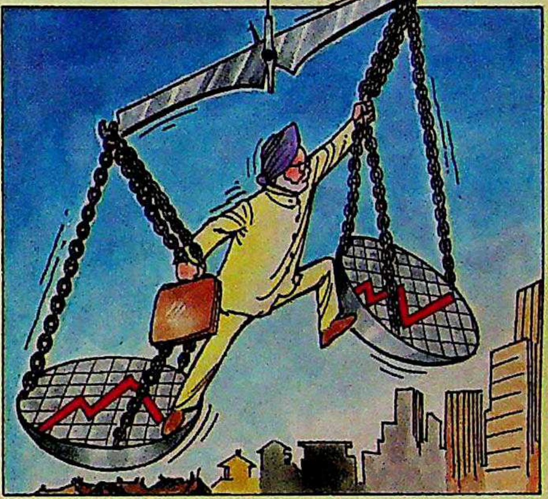
(Prices in Rupees,)	PRE-BUDGET	POST-BUDGET
PETROL (Rs. per litre in Delhi)	12.23	14.62
COOKING GAS (Rs. per LPC cylinder)	57.50	69.00
SUGAR (Rs. per kg: ration shop)	5.25	6.10
MARUTI 800cc (Ex-factory price)	1,20,660	1,50,823
AMBASSADOR (Petrol driven car)	1,64,121	1,78,621
COLOUR TV (Popular brand: 51 cm)	16,000	16,750-17,000
REFRIGERATOR (165 litre)	7,640	8,050
AIR CONDITIONERS (1.5 tonnes)	29,900	32,000
VCR (popular brand) (With remote)	18,700-19,000	19,100-19,500
FERTILISER (Urea 46: per tonne)	2,350	3,300

Charts by B.K. SHARMA

DEFICIT REDUCTION

The Manmohan Way

THE finance minister must be a magician, and though he has said often enough that he can't exactly swish a magic wand and wave India's fiscal troubles away, his budget manoeuvring came pretty close to doing exactly that. In the Union budget for 1991-92, his expenditure actually rose by Rs 6,700 crore, but he still managed to cut his deficits—the fiscal one, which measures the difference between the Government's total expenditure and revenues—by a sharp Rs 5,600 crore from the previous year's levels. Wonder of wonders, he managed to do that by raising a mere Rs 2,005 crore in additional taxes. Put another way, how on earth did he bridge the Rs 12,300-crore gap—higher expenses plus deficit cuts—by raising just a sixth of the amount through the deft device of additional taxes?



Thanks, partly, to the much-criticised but inevitable devaluation. When the rupee was devalued by 20 per cent, the Government's take-on customs revenue automatically went up as the higher costs of imports translate into higher customs duties. So, although the budget actually gave away over Rs 500 crore in import duty reliefs, customs revenue—including the states' share—in 1991-92 will actually rise by a hefty Rs 5,100 crore. Even if a part of that may be attributable to the mid-December rise in customs levies by Manmohan Singh's predecessor Yashwant Sinha, the moral of the whole story is: devaluation really acts as an invisible customs duty.

The rest of the gap was bridged simply: Rs 2,500 crore from the sale of 20 per cent of public sector equity, Rs 1,900 crore through cuts in export and fertiliser subsidies, and other minor, sundry cuts. No fudging, no hiding of facts and strategies and no excuses. The budgetary trick was there—transparent enough—for all to see. Perhaps one doesn't need to be a brilliant magician to make the delicate balancing act work. Being Manmohan Singh is good enough.

a year. Unofficial estimates of the rate of inflation are about 16 per cent a year.

Interestingly, bearing the brunt of the price rises will be the same products that symbolised the Rajiv Gandhi era of consumerism: cars, colour TVs, VCRs, refrigerators, washing machines, microwave ovens, the works. This is the bad news.

The good news is that in a broader sense, the budget, taken together with the industrial policy, sends two non-inflationary signals. One, the Government is now committed to less deficit financing—which effectively means it will not fund additional expenditure simply by printing more notes. "The root cause of inflation is deficit financing, which the present budget has tried to contain significantly," says Hanumantha Rao, an economist, and former member of the Planning Commission. "If they stick to the budgeted level of deficit, the rate of inflation will be brought down." The catchword is 'if'.

The second reason why inflation may be moderate in the medium and long term—after a burst of immediate anguish—is fairly simple: if the Government sticks to the liberalised industrial policy in letter and spirit, the scrapping of licensing and capacity restrictions in vast areas of industry will increase production, letting loose a supply-side revolution—as has happened in the two-wheeler industry. Here again, the operative word is 'if'. This is talk about the future, which is up in the air. For the moment, it is time to pay out for the pinch.

TAXATION

The levies will hurt

For some the going will be very difficult

IN an attempt to meet his excise targets, Manmohan Singh has donned the crusader's cap so often worn by his predecessors. Cigarettes have once again come in for the tax axe, and will add Rs 229 crore to revenue. Bidis, left untouched since 1986, are back in the net. On the face of it, tobacco giant ITC Limited appears to have won the war against Sanjay Dalmia's GTC Limited for a continuation of the assessment structure based on the length of cigarettes. On that basis, probably more of GTC's popular brands end up in the higher bracket.

The skids have been put on the automobile industry, with an increase in basic and special excise duty from 50 to 60 per cent ad valorem. Coming on top of the 20 per cent hike in prices, the excise burden will result in a significant downturn in demand for cars. While the fuel efficient Maruti might not be hit so much, Hindustan Motors' (HM) Ambassador and Premier Automobiles Limited's 118NE models will experience a downshift in demand. HM is already nursing huge stocks and has not really recovered from the Gulf crisis and loss of assured government contracts through the Directorate-General of Supplies and Disposals. Sipani Automobiles, still groping for a niche, and Standard Motors, reeling under mounting cash losses, will probably end up as scrap yard cases.

There seems to be a common thread running through most of the major items that have invited the taxman's wrath. The high excise imposts seem to be a pay-off for governmental protection against competition. Cigarettes, motor cars, entertainment electronics, sugar, white goods all come under the

BLACK MONEY

Changing its Hue

OVER the years, a number of schemes have been floated to mop up undeclared income. It was estimated that the amount of black money in 1983-84 was anything between Rs 31,000-Rs 37,000 crore, or between 18 and 21 per cent of the GDP. If the 21-per cent figure still holds good, today's estimates would be around Rs 80,000-Rs 1,00,000 crore.

To tap this vast amount, the Government has announced certain schemes in the budget. The trick has been tried before *(see chart)*, but this time around the Government hopes for a bigger bonanza. Critics say the Government may not net more than Rs 500 crore.

▶ The first scheme allows people to deposit any amount of money with the National Housing Bank (NHB), and no questions will be asked till November 30. Forty per cent of the deposits will go towards an NHB-managed fund which is not tax deductible for the depositor. The balance can be withdrawn by the depositor which will be taxable.

▶ People will be able to disclose hidden income, though only once in a lifetime. Again, no penalties. Section 273 A of the Income Tax Act is proposed to be amended to accommodate those who disclosed earlier.

▶ Remittances in foreign exchange will be permitted to anyone in India till November 30. No questions.

▶ The State Bank of India will issue bonds—called India Development Bonds—which will be in US dollars. With a maturity period of five years, these can be purchased by NRIs and their overseas companies before November 30. There will be no ceiling on investment and interest earned will be exempted from income tax. They can also be gifted to Indian residents, who will be exempt from income tax and wealth tax for five years. No questions asked about the source of funds.

EARLY EFFORTS

Government moves for netting black money have not been very successful

YEAR	SCHEME	RESPONSE
1946	Demonetisation	Rs 125 crore worth of notes presented for conversion. Black money element not estimated.
1951	Voluntary Disclosure Scheme	Rs 70 crore declared. Tax collected: Rs 11 crore.
1965	Voluntary Disclosure Schemes	Rs 203.18 crore declared. Tax collected: Rs 49 .53 crore.
1975	Voluntary Disclosure Scheme	Rs 1,578 crore declared. Tax collected: Rs 248.7 crore.
1978	Demonetisation	Rs 124 crore submitted. Black money element estimated at Rs 29 crore.
1981	Special Bearer Bonds	Sales of Rs 963.93 Crore.

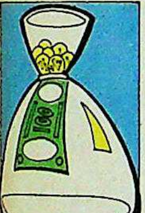
compulsory industrial licensing category of the newly announced industrial policy. On the flip side, the Government is also extracting its pound of flesh in the form of direct taxes for freeing the shackles overall.

Corporate tax, for long the industry's rallying point, has been raised from 40 to 45 per cent. The budget deals another body blow to the corporate sector by reintroducing interest tax and these will eat into profits and raise borrowing costs. Even the depreciation rate has been reduced from 33.33 per cent to 25 per cent. Says Ishaat Hussain, executive director (finance) of Tata Steel: "Capital intensive industries are going to have a substantially higher burden to deal with." But even as the corporate think-tanks comb through the fine print, it is abundantly clear that high dividends from Bajaj Auto, Tata Tea, Colgate, Grasim and Cadbury's might be a thing of the past. So might bonus issues. The stock-markets, however, do not think so. But that again is a different story.

INTEREST RATES

The cash crunch stays

Borrowing money will be even more expensive



IN the next few months, interest rates will become even more usurious. Finance Minister Manmohan Singh has ensured that by imposing a 3 per cent tax on interest income of banks. "In all likelihood, the additional burden will have to be passed on to the clients," says Rashid Jilani, chairman and managing director of Punjab National Bank. "But the moot point is whether we will be allowed to pass on the additional tax burden on priority sector loans or not." The contention is that if priority sector loans—which now consist of 40 per cent of all public sector bank lending, at concessional rates—bear the brunt too, then across-the-board lending rates can be kept down to a rise of 0.6 percentage points. Otherwise, rates will have to be higher at one percentage point to make up for the concession on the priority sector front.

What this means is that any corporate borrower will find money difficult to come by, as the Government is making sure that there is less cash to go around. This tax adds to the RBI's policy earlier this year of freeing the rate that banks charge each other for borrowing money. Consequently, these interest rates have fluctuated wildly in the 25-80 per cent a year band for short-term lending. That, in turn, has driven up the interest rates that these banks charge their corporate clients. The situation is such that even long term-rates are expected to go up. "I see long term-rates settling between 17-19 per cent," says N. Vaghul, chairman and managing director, Industrial Credit and Investment Corporation of India Limited. Bankers estimate they could be as high as 24 per cent per annum.

What adds to the problem is that the Government preempts more than 60 per cent of the bank funds in the form of cash and liquidity reserves, leaving banks a very small base to work out its profits from. Which pushes interest rates up.

For the Government high interest rates are a good thing, as they serve to pull excess cash out of the system. This, in turn, leads to three things. One: inflation is expected to come down. Two: as corporations find money too expensive, they are forced to cut down overheads, slash fattened budgets, which

CASE STUDY/PROJECT CLEARANCE

Wait a While

PART of what the Government's new industrial policy plans to do is unplug bottle-necks in project clearances, especially those with foreign tie-ups. The new policy should come as a relief to many promoters whose projects are not cleared. INDIA TODAY *looks at one such held-up venture. It typifies bureaucratic hurdles, and how proposals get bounced around by changing regimes. Assuming the project is cleared straightaway, by the time it goes into production, almost five years would have elapsed since the first application was submitted to the Government.*

PRAMOD PUSHKARNA

Lalit Thapar

THE THAPAR-DU PONT PROJECT

IN 1983, the Economic Development Corporation of Goa (EDCG) applied for the manufacture of Nylon 6,6 used in making high-grade tyres. Four years later, Ballarpur Industries Limited—an L.M. Thapar group company—and E.I. Du Pont de Nemours of the US joined hands with the EDCG to set up Thapar Du Pont Limited (TDL). In 1988, TDL applied for capital goods imports—which is still pending.

In April 1989, the Department of Company Affairs rejected TDL's application saying the shareholding pattern wasn't acceptable. In September that year, the Monopolies and Restrictive Trade Practices Commission asked TDL to submit a fresh application. It did, but before it was cleared, the Government changed.

In September 1990, the Project Approval Board (PAB) cleared the application, and the then industry minister Ajit Singh okayed it with the caveat—that it should be approved by the Cabinet Committee on Economic Affairs. It did, but as the Government changed, the PAB returned the file to the Government for review. In April 1991, L.M. Thapar, chairman of the Thapar group, was personally assured by Chandra Shekhar that the go-ahead would come anytime. Meanwhile, the Shekhar government had to give in to elections. The hottest rumour was that Du Pont, tired of waiting, was looking for new partners.

In June, the PAB cleared the project again, but last month Prime Minister P.V. Narasimha Rao's Government said that it would review all clearances endorsed by the previous regime. "I wasted five years to get clearance," says Thapar, wryly.

But TDL is still waiting. Meanwhile, it has experienced five governments, four extensions of the original letter of intent, and four reshuffles of the shareholding pattern. TDL has all the land it needs in Goa. Symbolically, the only structures so far are a gate into the proposed site and some barbed wire fencing.

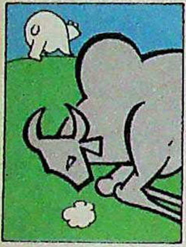
makes for a leaner, meaner company. And three: as bank funds become scarce, corporations will be forced to approach the capital markets. This could lead to a stock-market boom. Says Pradip P. Shah, managing director, Credit Rating and Information Service of India Limited: "Companies will have to rely on their own funds and on equity financing."

But the flip side is that high interest rates are a burden to any society. It adds costs to every product and service. In India interest rates can come down only if the financial sector is deregulated, and the Government stops dictating the terms on which banks should lend—as it does now. To bring about changes under such circumstances may tax the finance minister's brains more than the policy changes he has made.

STOCK MARKETS

The bulls are here

Share bazaars will fuel growth once again



IF one considers the stock-markets a barometer of a country's economic health, then Manmohan Singh should be a happy man. At least, it draws attention away from all that is unhealthy. The share bazaars had been on a high for the past one month—a standard pre-budget phenomenon—and were expected to slide after the budget was announced—a standard post-budget reaction. It didn't happen. Instead, market indices overshot their peak performance. The Bombay Stock Exchange's Sensitive Index hit 1630.27 on July 26—27.63 points above the previous all-time high recorded in October last year. "The fear in most people's minds had been put to rest," says Harshad Mehta, chairman of Growmore Research and Asset Management Company, a Bombay-based share consultancy house. "There is nothing harsh in the budget and the levies have been correctly spread across the board."

This assertion is open to debate, but what isn't is the fact that for the first time since the boom year of 1985, the share market is looking at itself as the industry's engine of growth. The reasoning is simple. Companies have to pay expensive interest if they go to banks for money. At the same time, they have to grow and diversify—in fact, they have been given leave to do so by the new industrial policy proposals. So, the attention will turn to the stock-markets to mop up funds.

If the industrial policy throws open a rush of domestic investment, then the markets are likely to see a boom in the primary—or new issues—segment. And by default, the secondary market, too, which will reflect the new-found freedom in certain areas of the corporate world. For example, shares of multinational companies are expected to do particularly well. The new climate could also see the return of the mega issue, their favourite device. "There could be a big shift to partly convertible debentures, especially in the case of companies confident of raising money from the capital markets," says ICICI's Vaghul.

There is another bit of good news for the markets. If the Government follows through with its reforms, then it is very likely that it will initiate some long overdue changes in the share markets. In particular, through the Securities and Exchange Board of India (SEBI), which was set up to function as a watchdog agency, on the lines of the Securities Exchange

THE BUDGET

Deficit Definitions

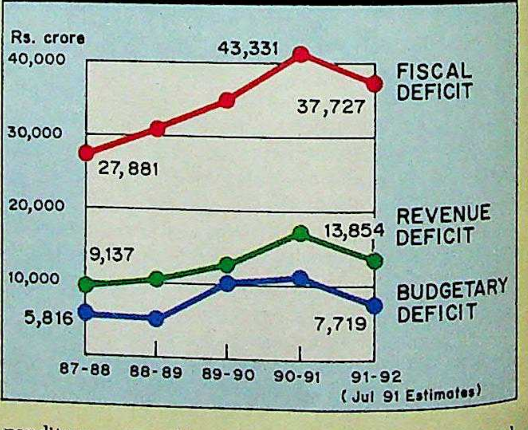
THERE are deficits, and there are deficits. In the Union budget presented by Manmohan Singh, there are estimates for three deficits for the 1991-92 financial year. The fiscal deficit, which is estimated to be Rs 37,727 crore; the revenue deficit, Rs 13,854 crore; and the plain old budget deficit, by comparison, a modest Rs 7,719 crore.

The IMF thinks the killer should be the one with the biggest number: the fiscal deficit. This deficit measures the gap between what the Government intends to spend, including loan repayments, and what it will earn from tax and non-tax revenue—for example dividends from public sector enterprises, foreign grants, interest on its own loans. The bigger this gap, the more the Government will have to borrow or print money—or both—to make both ends meet.

It is not possible to keep on borrowing without falling into a debt trap, or letting loose inflation by indiscriminately printing money. The Indian Government has done both.

Some economists think the more horrifying numbers have to do with the revenue deficit. This measures the gap between the Government's consumption expenditure—everything from interest payments and defence spending to subsidy payments—and revenues. It's like a household borrowing just to eat.

THE DANGER LINES



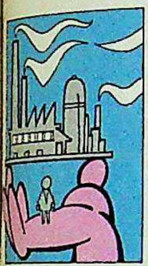
However, the budget deficit, the smallest of the three, is potentially the most dangerous. Though this deficit is officially just the net RBI credit to the Central Government, in actual practice it is like printing notes to finance government overspending. The problem with budget deficits is that as long as the monsoons are good and there are no major supply bottle-necks, prices remain in check, enabling finance ministers to claim that deficits are not inflationary. But all this paper money is just sloshing around in the economy and when the crunch comes—as it did when the Gulf war broke out last January—inflation runs riot. At this point there is still too much cash in the system.

Commission in the US. Till now, all SEBI proposals to fix the way India's stock-markets work—thriving on insider trading, an absence of an investor redressal service and so on—have been ignored. If the agency is now given powers, which is quite likely, Indian stock-markets could change beyond recognition. More investors can be attracted and this in turn, will help industry.

INDUSTRY

Never better, but...

Growth yes, but first, a recession

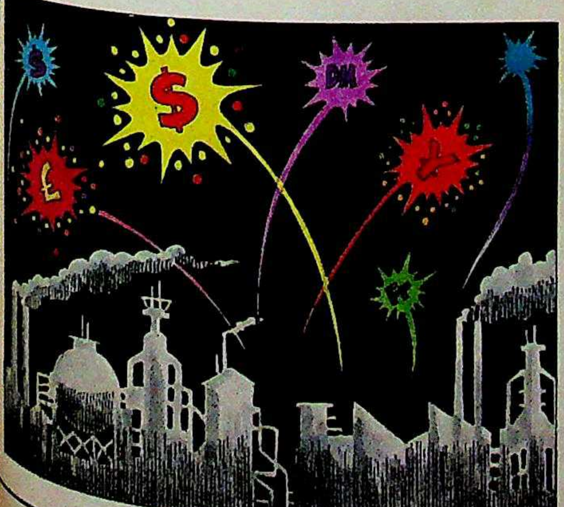


AFTER a long time, industrialists have something to be enthusiastic about. The opening up on the licensing front has been welcomed widely, although residual scepticism about whether it will work remains. Says Humayun Dhanrajgir, chairman and managing director of Glaxo India Limited: "Too often in the past, unexpected road-blocks have cropped up after an announcement." But this time around he is hopeful that there will not be any.

The industrial policy, announced after days of an on-again-off-again approach, has completely stolen the limelight from the budget. "I only wish," says Harsh Goenka, managing director of Ceat Limited, a little wistfully, "this had been announced a decade ago."

But not everyone is happy. Raunaq Singh, for instance. The chairman of Raunaq International Limited feels the ceiling of Rs 2 crore on import of capital goods is a dampener if one has to set up a new project. Says he: "This takes us back to control and restrictions." There is more criticism. Some industrialists think that at a time when India should be gearing up for globalisation, a reduction in depreciation rates and taxes on interest income of banks will place additional pressure on the corporate sector.

Despite a little carping, there is a general sense of relief that the licence-permit raj, which has spread its tentacles practically everywhere is being pushed back. But given the pattern of growth and the time lag before most benefits start accruing to the economy, the industrial growth is not expected to be higher than last year, when it was at 8.4 per cent. It might, in fact, dip a little before picking up, because most of the changes

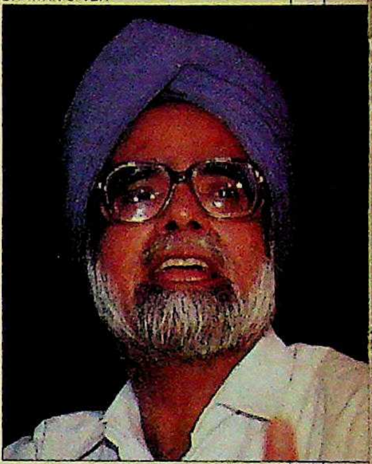


BUDGET SPEECH

Manmohan Touch

IT was arguably the most eagerly awaited budget in the country's history, with a promise of pain and progress in equal measure. And the man in the hot seat, Finance Minister Manmohan Singh, more or less lived up to it. To make the going easier—both for India and its politicians—the soft-spoken economics don threw in some personal twists in his 2-hour-15-minute speech. Between the announcements of reducing deficits and raising taxes, Singh threw in some pathos, practicality, and predictability. A sampler:

BHAWAN SINGH



- I was born in a poor family in a chronically drought-prone village which is now a part of Pakistan. University scholarships and grants made it possible for me to go to college in India as well as in England.

- A finance minister has to be hard-headed. This I shall endeavour to be. I shall be firm when it comes to defending the interests of this nation. But I promise that in dealing with the people of India, I shall be soft-hearted.

- Every finance minister has to do his bit to curb smoking, which is injurious to health. I must also fall in line and add to the tax on cigarettes.

- Over the years, those with an instinct for gambling have patronised the races. I am sure that persons who place bets will now also have the added pleasure of sharing their earnings with the Government.

- Ever since my appointment as finance minister, I have had to spend long hours in the office. This has, quite naturally, made my wife very unhappy. The House will agree that it is not good for the health of our economy if the finance minister of the country has strained relations with his own finance minister at home.

- Few would disagree that I am one of the most harassed finance ministers in recent times. To perform the onerous task before me, I need support from the press.

- As Victor Hugo once said: 'No power on earth can stop an idea whose time has come.' I suggest to this august House that the emergence of India as a major economic power in the world happens to be one such idea. Let the whole world hear it loud and clear. India is now awake. We shall prevail. We shall overcome.

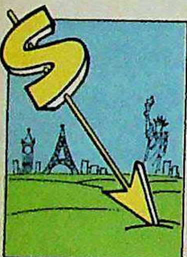
will be felt after a few months, perhaps a year. Immediately, however, the benefits can be fairly tangible. Says Goenka: "I anticipate hassles and delays will come down and decisions will be taken faster."

And hopefully, the policy will encourage true competition—which is long overdue in India—in two ways. One: by encouraging competition between Indian businesses. And two: with the relatively free run that foreign ventures are going to get here, a stiff lesson from abroad on how the free market works. And, although industrialists generally say that they are not afraid of competition, some, such as Federation of Indian Chambers of Commerce President S.K. Birla, have publicly voiced their apprehension about the need for protection to domestic industry especially with multinational entry having been made easier. If the industrial policy follows through with its promise, then the doubters will be on the wrong side of the rush.

FOREIGN INVESTMENT

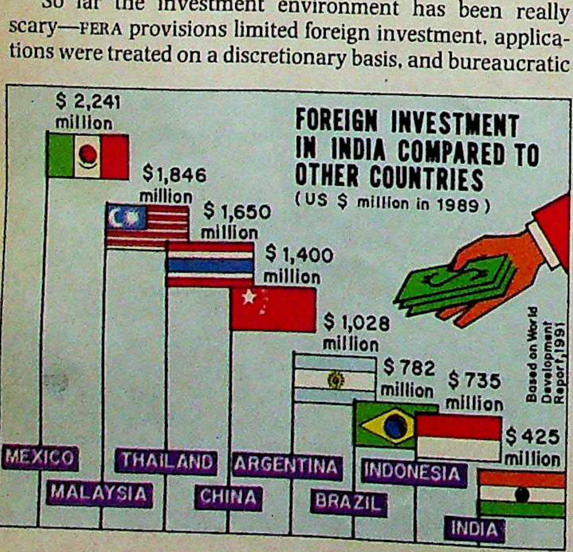
Is anybody out there?

Multinationals are not in a hurry to get here



THE floodgates for foreign investment have finally been opened. Well, almost. In one stroke, 51 per cent of foreign equity investment in 31 key areas—ranging from electrical equipment to earth-moving machinery and tractors to tourism—have been made automatic. Earlier rigours of the restrictive Foreign Exchange Regulation Act (FERA) are now to be progressively loosened. By looking at the industrial policy document, it appears that the dreaded multinational companies, reviled as blood-suckers and even CIA fronts, are suddenly as crucial to India's well-being as an IMF loan. Says S. M. Dutta, chairman of Hindustan Lever Limited: "Today there is a great deal of appreciation of what a multinational can do for the economy." Mainly, because they can bring in the moolah in hard currency and, bring in technology and marketing tie-ups that will go a long way in making Indian exports acceptable abroad.

So far the investment environment has been really scary—FERA provisions limited foreign investment, applications were treated on a discretionary basis, and bureaucratic



RAHUL BAJAJ

The Raj and Me

Rahul Bajaj, chairman and managing director of Bajaj Auto Limited, one of India's most successful companies with a turnover of Rs 1,220 crore, tells Principal Correspondent GODFREY PEREIRA *how the licence raj worked and how the new industrial policy could change the way business works.*

MY personal experience of the licensing system has often been a nightmare. In fact, from 1968, we have had great difficulties. We always got 30 per cent of what we asked for.

Rajiv Gandhi came in 1984, and brought with him the winds of liberalisation. Even then I got to expand only after three years. The Government made all kinds of funny conditions. How export? Why export? It took three years for the capacity in my Aurangabad plant to be raised from three to 10 lakhs. And of course we lost out, because we were not allowed to expand. What the Government did not think is that the world is not going to wait for you. Three bloody years. Imagine what could have been done in that time.

NAMAS BHOJANI

Rahul Bajaj

Now they have knocked out the M from the MRTP Act. It should help.

We are going to try to be more internationally competitive, we are going to get in foreign collaboration and increase what we already have. We will get specialised technicians from all over the world, and then compete. That is the only way to survive. Let the best come to India, we have already begun rolling.

It will be interesting to see what the Government has in mind about the exit policy. It will have to create schemes, whereby these surplus workers are trained, and then given jobs. The Government may have to bear the cost of the training. Sure, at Bajaj too we have surplus, now I certainly cannot kick out people, but we have been expanding, so we have got around that. When I say that we have surplus, I am talking in relative terms. We have been growing with modernisation.

Right now, I am looking at the technology transfer part. Getting a foreign technician is fine. Getting a blanket permit is fine, but how much does that mean in terms of money? What happens if the funds are not adequate? Do I pay him through the RBI or buy the REP?

I have reason to rejoice, because I know how difficult it can get to chase someone in New Delhi for a licence. Then some fool delays the whole project by procrastinating, because he wants something for himself or a thousand other things. I have experienced all this, but now I think things will change.

stranglehold over approvals delayed projects. Small surprise, then, that net foreign direct investment in India in 1989 was a piffling $425 million. In comparison with some of our neighbours, like China, Malaysia or even Indonesia (*see chart*), overseas interest in India was downright bearish.

It still is. "The multinationals do not want to rush in through a crack in the door," says a senior Coca Cola company official in London. "They want to see what's inside before entering." There are still a lot of cobwebs that need to be removed. Though Manmohan Singh has clarified that foreign companies can raise their stakes to 51 per cent in existing companies, many Indian companies might not want their overseas partners to increase their stake here. Says Shiv Nadar, chairman of computer firm HCL Ltd: "The terms of our agreement with US company Hewlett Packard clearly do not allow for it to raise its equity participation beyond 26 per cent."

Also, projects will continue to need prior clearance if foreign equity does not cover the foreign exchange required for capital goods imports. This catch belies the Government's craving for high technology rather than companies with marketing expertise, which is equally important in today's world. The other impediment in the way of foreign capital flowing in will be the opening up of other international markets. Eastern Europe now presents an ideal pasture. Germany is too pre-occupied with investments in its former Iron Curtain appendage. US companies are strapped for cash and European ones are saving their energies to compete in the Common Market come 1992. Manmohan Singh may be confident that he can draw in $2 billion from Japan but privately, Japanese executives snort at the idea. On the positive side, foreign companies may begin looking at India with a little more interest. At least to see if India is serious about opening up if not to get ready with their moneybags. But if they just pass India by—this can happen if the Government doesn't back up its policy assertions with action—then it will be difficult to distinguish between debt and death.

BORROWINGS

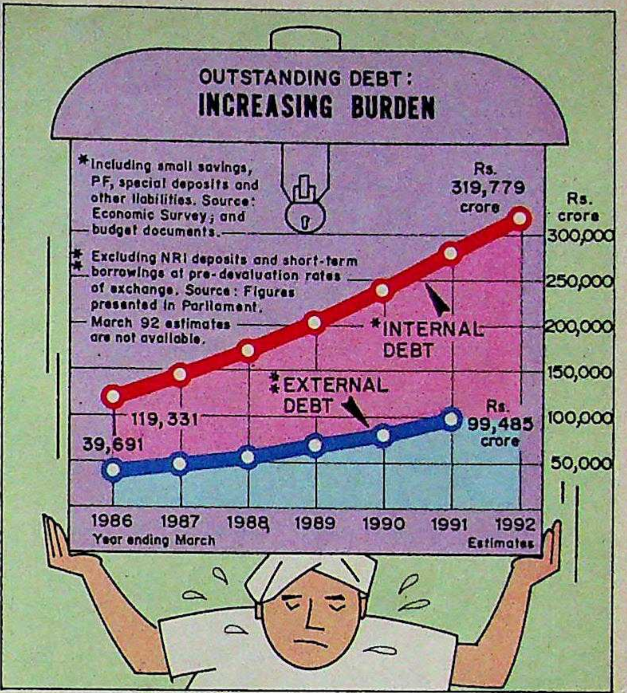
Till debt do us apart

The trap may get worse, spoiling big plans

THIS year, the Government of India will spend every second rupee it earns through tax and non-tax revenues in merely paying interest on money borrowed, both at home and abroad. That amounts to over Rs 27,000 crore.

By the time the next financial year comes around, interest payments could get higher still. If anything, it indicates how deeply India is sunk in debt, and is sinking a little deeper by the day. Consider the following scenario:

▶ Externally, the country owed the world—including NRIs—Rs 1,20,000 crore before the Government devalued the rupee by 20 per cent. Add to this, the short-term loans of $3-5 billion that don't figure in official numbers, and the total external debt could add up, in rupee terms, to a mind-boggling Rs 1,50,000-Rs 1,60,000 crore. The World Bank places the figure even higher. Professor B.B. Bhattacharya of Delhi's Institute of Economic Growth estimates that India is in hock to outsiders to the tune of around one-fourth of its total national income.



▶ Internally, the position is even worse. The Government's outstanding liabilities for money borrowed—and to be borrowed this year—from its own citizens add up to Rs 3,20,000 crore. To finance its overspending, the Government has increased its debt at home by six-and-a-half times since the early 1980s, and two-and-a half times since 1985-86, which saw a Government-sponsored borrowing binge to finance many wasteful expenditures and populist schemes such as loan waivers, and dubious employment programmes in the rural sector. And now it seems that the country can repent at leisure, and pay a price for profligacy.

Together, these debt traps sum up a depressing scenario, especially since the foreign exchange crunch will force the Government to raise more money abroad—from the IMF, Japan or anywhere else. For that matter, anyhow. And the desperate hunt for loans continues. When last heard of, the State Bank of India was negotiating a seven-year loan for anything between $3 and $4 billion with a consortium of foreign banks.

The debt trap in which the country is caught today is indeed scary. The scenario becomes worse if borrowings are looked at in another way. If all the debtors came calling on the same day, the Government would have to pay up an amount equivalent to its national income. In other words, every man woman and child in India will have to sacrifice a year's average income to pay up the national debt.

Fortunately it will not come to that. And the finance minister has taken the first halting step towards prudence by reducing the Centre's borrowings for the first time in several years by a whopping Rs 2,551 crore. This cut, however, is insignificant.

While it may look like a fancy piece of arithmetic in the budget, the truth is that if India doesn't reduce its debt drastically, liberalisation, delicensing and trying to rid the nation of its *babu*dom will amount to nothing. The industrial policy has stolen the thunder from the budget. But the budget could still kill it.

—With reports from RAJRISHI SINGHAL, NEERAJ KAUSHAL and SUNDEEP KHANNA

THE BUREAUCRACY

RESHUFFLING THE RAJ

By HARDEV S. SANOTRA

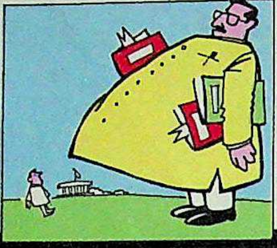
A few months ago, D.R.Mehta's daily appointments involved meeting some two dozen businessmen—big and small—to sort out some procedural hassle or the other in obtaining their export benefits. "But today," said the country's chief controller of imports and exports (CCI&E) one evening in mid-July, "I have just two appointments."

That's as good a yardstick as any to measure the success of the trade reform package announced earlier in July, one of the aims of which was the de-bureaucratisation of the export regime. With the devaluation of the rupee enabling the Government to do away with the cash compensatory support scheme, exporters no longer have to queue up before Mehta and his colleagues. Better still, Mehta has scrapped plans to open 12 additional offices of the CCI&E and increase the size of his bureaucracy.

But that's about all. There is no way, says Mehta, he can trim his 2,800-strong organisation even though his staff have to give out 7,500 fewer import licences, handle one lakh fewer applications and not dispense cash subsidies anymore. Says Mehta: "My workload has in fact increased. Last year we had to give out 77,000 replenishment licences worth Rs 3,722 crore (which entitle exporters to import). This year we may have to give out as much as Rs 6,500 crore worth." Besides, Mehta believes he may be handed the additional job of doling out duty drawback to exporters —to compensate them for excise and customs duties on their inputs—a job that the Finance Ministry handles at the moment.

A case of Parkinson's law—work expanding to engage available hands? Perhaps not. But there's no denying that the acid test for the Government's de-bureaucratising—some would say de-bugging—intentions will be what it does with its regulatory bodies when the rigours of the licensing raj are reduced or eliminated. Thus far, there is little to indicate that the Government will pass the test.

The Government has a handful of principal controlling arms that have outlived their utility. Take the Directorate-General of Technical Development (DGTD), which was originally set up to advise the Government on various technical aspects of industrial development. Today, industrialists are of the view that apart from delaying projects, the directorate did little technical development. An example: some time ago, when the Government abolished licensing in some areas and replaced that with a requirement that industrial units need merely register their intentions with the DGTD, the directorate came up with procedures for registration that were almost as rigorous as those for licensing. Today a DGTD registration can take anything from three to six months to



BIG BABUDOM

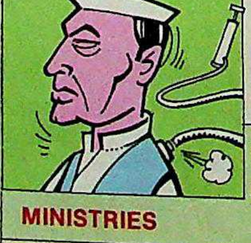
Size of Central Government

ITEM	PERSONNEL	ANNUAL PERSONAL COST [Rs crore]
POLICE	4,92,950	1,262
RAILWAYS	18,30,000	5,415
POSTS	5,99,181	1,023
TELECOM	3,49,579	1,113
BUREAUCRACY	9,28,631	2,983
TOTAL	42,00,341	11,796

*March 1982 Estimate **1991-92 Budget Estimate

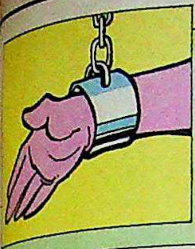
MINISTRIES THAT CAN BE TRIMMED

MINISTRIES	
AGRICULTURE Strength: 12,200	Agriculture is a state subject.
COMMUNICATIONS Strength: 8,50,000	A part of the bureaucracy can be dismantled if the departments are made autonomous.
HUMAN RESOURCE DEVELOPMENT Strength: 15,000	Can be streamlined if the huge 12,000-strong Department of Culture is wound up.
I&B Strength: 66,300	Can be wound up after AIR and Doordarshan become autonomous.
RAILWAYS Strength: 18,30,000	Can be wound up after the railways are converted into companies.
PLANNING Strength: 12,400	If the Planning Commission becomes a think-tank, the ministry could be trimmed by half.



MINISTRIES THAT NEED STRENGTHENING

MINISTRIES	
INDUSTRY Strength: 4,600	Ministries of steel, textiles, chemicals and fertilisers can be tagged with minimal staff redeployment.
TRANSPORTATION Strength: 7,800	Can be created by merging surface transport with civil aviation.
SCIENCE Strength: 27,500	Can be expanded by adding atomic energy, electronics, ocean development and space.
HEALTH Strength: 42,000	Can be expanded by merging all welfare ministries.



THE CONTROL ARMS THAT NEED CHOPPING

DIRECTORATE-GENERAL OF TECHNICAL DEVELOPMENT: Strength: 1,100: The Directorate-General has already been cut to size in view of the reduction of its regulatory role in licensing. A further paring is necessary and so is retraining of the balance if regulators are to take up an altogether new promotional role.

CHIEF CONTROLLER of IMPORTS and EXPORTS: Some of its workload has been reduced, but there is going to be no cut in strength as long as the forex crunch requires the Government to play a regulatory role on the import front.

COMPANY LAW BOARD: Its functions include according approvals even for minor changes in the functioning of companies and such tasks need to be curtailed. The quasi-judicial functions may be necessary, though.

DIRECTORATE OF ADVERTISING AND VISUAL PUBLICITY: This directorate doles out money as favours to small and medium newspapers. Governments have used this technique to pressure the press. The directorate can be dismantled since the Government's publicity needs can be better handled by a small group of professionals in the Press Information Bureau, which itself needs pruning.

THE ARMS THAT NEED STRENGTHENING

RESERVE BANK OF INDIA: Its functioning is hampered by government intervention, especially the Finance Ministry's. Its autonomy needs strengthening. Banking reforms are a must if governmental spending is to be checked.

SECURITIES AND EXCHANGE BOARD OF INDIA: A law to empower SEBI to take stern action against various malpractices in the capital markets is scheduled to be introduced in Parliament this session, since the finance minister has promised to push it. The health of the markets depends on having a strong SEBI as watchdog.

MONOPOLIES COMMISSION: The Monopolies and Restrictive Trade Practices Commission takes years to decide consumer-interest cases. By scrapping the law that classifies companies above a certain limit as monopolies, MRTP will have to take up a stronger policing function to ensure fair play.

CENTRAL STATISTICAL ORGANISATION: Government statistics are often delayed and sometimes incomplete. The CSO has to be modernised so that Government and the economy can take the right signals emanating from its figures. This becomes all the more important when the country is moving towards a more market-oriented industrial policy.

be completed.

The moral: when you want to reduce bureaucracy, you must physically move it away from its former area of activity. A similar problem confronts the DGTD today, now that licensing has been abolished altogether in several areas for Indian industry. The Minister of State for Industry, P.J. Kurien, talks vaguely about the organisation taking on a promotional role. DGTD Director-General N. Biswas says he is trying to figure out how the organisation can work in the future, but a DGTD official who preferred anonymity points out that there still remains a large area of control where the directorate can exercise jurisdiction. And the licensing list still has 18 major industries on it. Clearly, it is the control imperative that drives bureaucracy. The moot question: Can stern-faced regulators switch roles to play the smiling promotional men shown in brochures? Can rationing officers become marketing men?

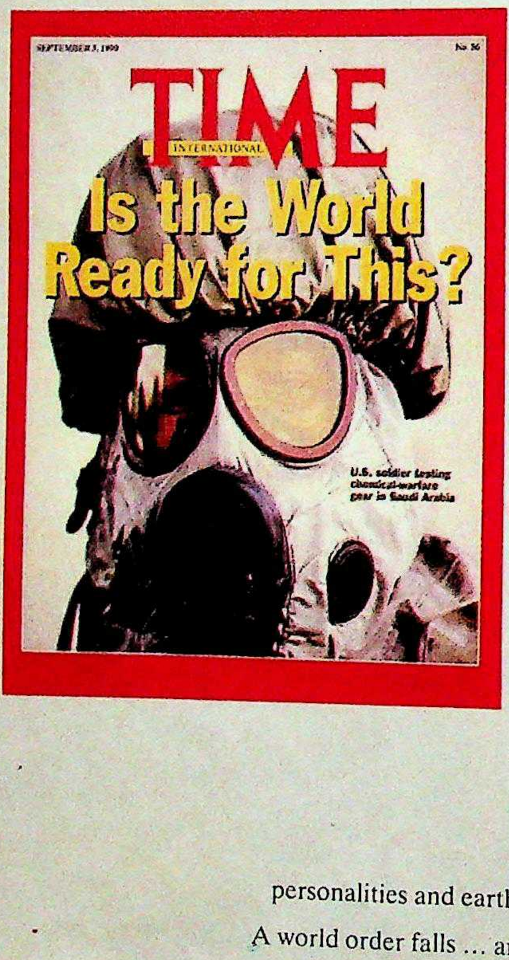
UNFORTUNATELY, it is not just the DGTD, but the Government as a whole that has arrogated to itself a regulatory role in every sphere of activity. Ministries that have proliferated at the Centre to create berths for politicians and bureaucrats perpetuate the licence raj in other areas, in newer ways. In most democracies, governments may have a media policy. In India we have a whole ministry—Information and Broadcasting—that rules over a kingdom of 61,000 employees and regulates what the public should listen to or view on radio and television. One would have thought that steel, food processing and textiles would be grouped under the Industry Ministry. Actually they function as separate fiefs. And there are whole bureaucracies going under the banners of the steel controller and textile commissioner trying to regulate their specific industries.

More often than not, the multiplication of ministries has created more contradictions in government, with one set of bureaucrats backing a project and another opposing it. Thus the Pepsi project had the strong backing of the Ministry of Food Processing, but Industry Ministry bureaucrats were not so keen on it. The Commerce Ministry under Dinesh Singh supported a proposal by Coke a few years ago to set up an export-oriented unit; but now the Food Processing Ministry is less than enthusiastic, having done its all to help rival Pepsi's project through.

The biggest damage bureaucracy has wrought has, however, been in the area of discretionary controls—the area of the current reforms. The net result: losses running into crores of rupees due to project delays. A study by industry organisation FICCI in 1988 showed that a year's delay in clearing private sector projects taken up during the seventh plan (1985-90) cost over Rs 17,160 crore in lost production. That's over Rs 20 crore a day. Worse, in some cases delay means death for projects. Take the example of the Andhra Pradesh Electronic Development Corporation (APEDC) which wanted to set up a colour television project with 51 per cent equity participation by the Dutch multinational, Philips. When it made the application in 1983, the babus asked it to scale down the foreign collaborator's equity holding to 40 per cent. The APEDC did so, but the clearance was not forthcoming. In 1985, the electronic components industry was delicensed, but APEDC's project did not make it.

The moral: even in a supposedly delicensed sector, bureaucracy can scuttle projects. To make its radical industrial reforms work, the Government has to remove its bureaucracy far away from the area where they did the damage in the days of licence raj.

TIME TO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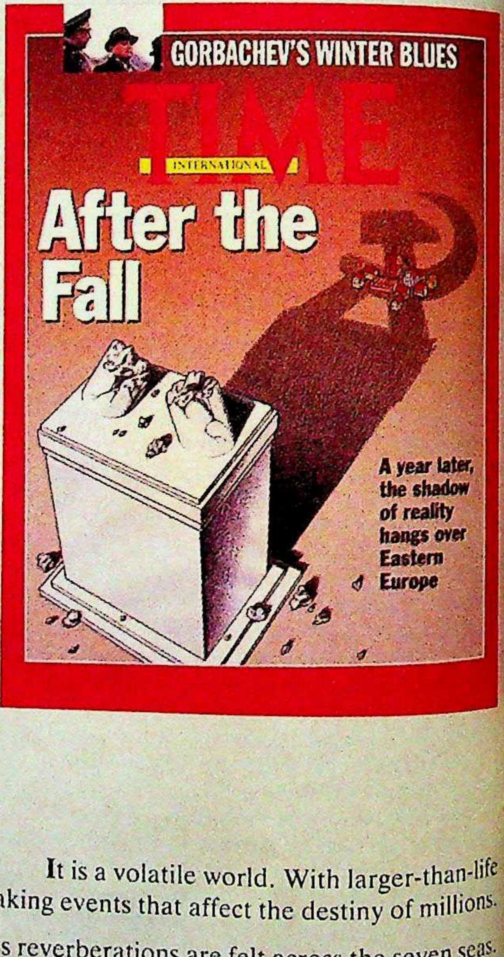
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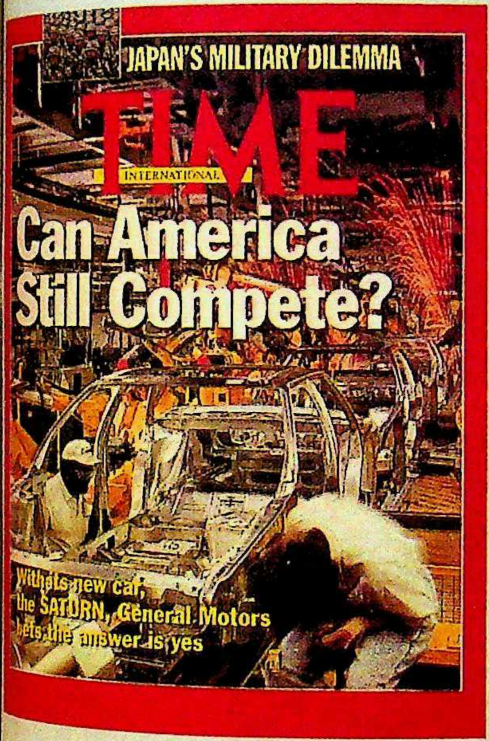
THINK !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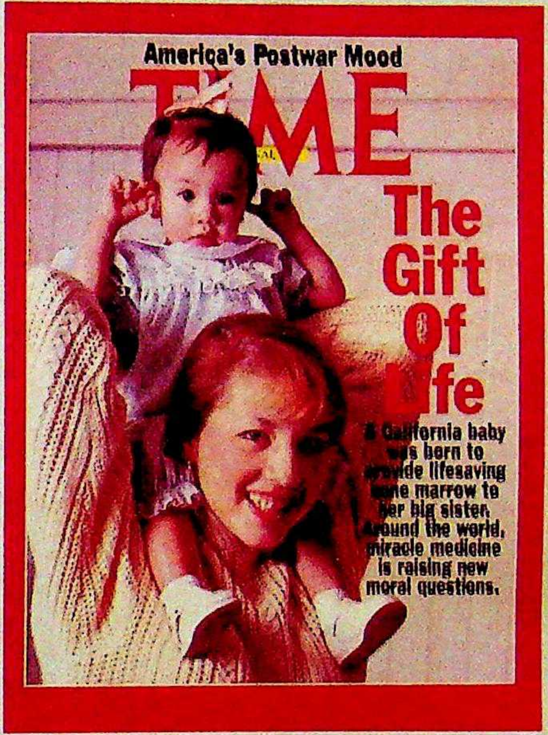
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TENTH LOK SABHA

Colourful Chaos

Though awestruck first-timers, glamorous film stars and saffron-clad swamis lent an air of ebullient fun, the mood in Parliament was sombre and uncertain.

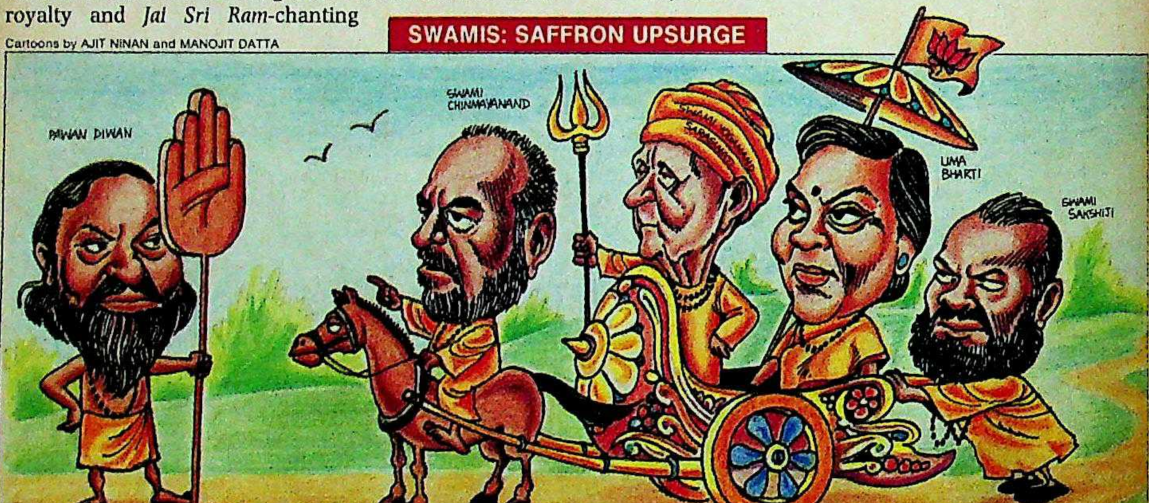
By W.P.S. SIDHU

BOISTEROUS, colourful, sometimes witty, occasionally sombre, a trifle tense, remarkably mature and often unpredictable, the first session of the Tenth Lok Sabha had all the ingredients of a Hindi movie love triangle. With three distinct political groupings in the House and what has been described as "a government on daily wages" dependent on outside support, the Lower House cautiously explored the mechanics of its functioning during the first fortnight.

Participating in this voyage of discovery were veteran MPs, awestruck first-timers, glamorous film stars, erstwhile royalty and *Jai Sri Ram*-chanting swamis. Even without many of its star performers, the Lok Sabha's inaugural session provided vignettes of irony, farce and a kaleidoscope of colour.

Cartoons by AJIT NINAN and MANOJIT DATTA

SWAMIS: SAFFRON UPSURGE



For instance, when the Janata Dal's Ram Vilas Paswan got up to express no-confidence in the P.V. Narasimha Rao Government, and ended up attacking the BJP on the Ram Janmabhoomi issue, he incurred the wrath of the high-decibel BJP member Madan Lal Khurana while Congressmen looked on in amusement. But Paswan got his own back when minutes later the voting slips were passed around, and the saffron-hued party marked its negative vote in red, while the Left and the National Front used yellow slips to indicate abstention. Paswan retorted: "You have changed your colour from yellow to red!"

And after the crucial result was declared, the new members, like students after an examination, made a beeline for the exits, throwing parliamentary decorum to the winds. But a sharp and desperate "please" from Speaker Shivraj Patil stopped the exodus. The crown still sitting uneasily on his head, the two-day-old Speaker, sat perched on the edge of his throne, and cajoled the impatient members: "Please, please, please. This is not the way. Please take your seats."

And when Bombay film star-cum-parliamentarian Sunil Dutt asserted that Punjab should be renamed Khalistan, as the name Punjab (land of five rivers) was no longer relevant, there was stunned silence from the treasury benches. Or when Buta Singh countered Finance Minister Manmohan Singh saying: "The finance minister is calling us honourable gentlemen. We are honourable members and not honourable gentlemen."

And if the Congress(I) as a whole failed to get its act together, it even lost out in the deft art of parliamentary repartee. Sample this exchange between former prime minister Chandra Shekhar and Minister of State for Communications Rajesh Pilot:

Pilot: "I'll quote Nehru...."

Shekhar: "No, please, don't."

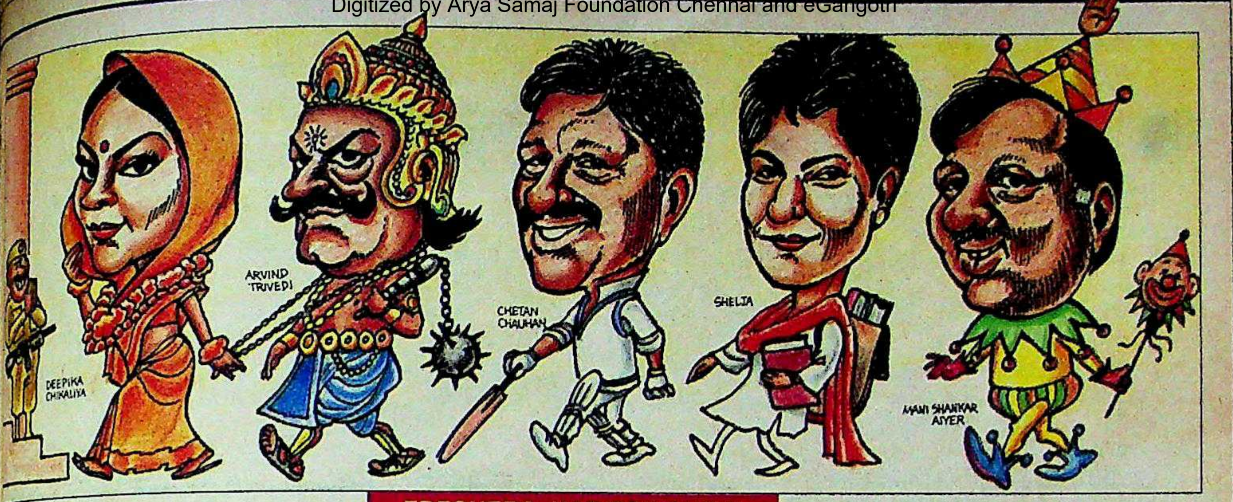
Pilot: "But you also believe in Nehru's philosophy."

Shekhar: "Of course. That's why I am saying after seeing your actions, you shouldn't quote Nehru!"

Chandra Shekhar has clearly emerged as one of the star speakers of this House, with his caustic remarks and ironic turn of phrases stumping most opponents.

In contrast, V.P. Singh, with one eye trained on the press gallery, attempted very hard to be witty while holding forth on Mandal and the pledged gold controversy, but with little success. And Prime Minister Rao's philosophically-loaded speech was too convoluted for most members to follow. Some Left Front members who did understand it, lashed out at Rao. He had to depend on Mamata Banerjee's spitfire counter-attack to bail him out.

Atal Behari Vajpayee, however, faced no such problems. His maiden speech in Hindi, generously peppered with witticisms, had members spellbound. Often gesticulating elaborately, Vajpayee was rarely interrupted and made his mark as one of the most effective speakers in the House.



FRESHERS: VARIETY SHOW

But undoubtedly the most ineffective speaker in the new House is its oldest constituent—the 82-year-old nominated member, Frank Anthony. When he rose to speak during the prime minister's reply on the presidential address, the House let out a collective groan. Despite Rao's pleas that he should wait, the octogenarian rambled on, and Rao shook his head in resignation and sat down. The nominated member mumbled his bit, which no one could hear and sat down leaving no one the wiser. Unable to resist a jibe, CPI(M)'s Somnath Chatterjee, pointed to Anthony and asked Rao: "Are you repenting (your decision) now?"

Anthony is also one of the three 'suited' members of the Lower House, dressed in khaki summer jackets and trousers that are a throwback to the Raj days. But it is the BJP member from South Bangalore, Professor K. Venkatagiri Gowda, 68, who is undoubtedly the most overdressed man there. Sporting a 40-year-old 'Made in England' three-piece suit—even as the mercury touches 40 degrees outside— Gowda says coolly: "I am comfortable in a three-piece."

Equally comfortable is Pawan Diwan, the bearded Congress(I) member from Mahasamund in Madhya Pradesh, better known as Swami Amritanand Saraswati. Clad only in a knee-length saffron *lungi* and *rudraksh mala*, the bare-chested Diwan was a clear winner for the most under dressed member award. He is one of eight swamis now inhabiting the Lok Sabha. The other saffron-clad swamis, who are in the BJP, made an incongruous sight in the sea of white and cream khadi. With earphones adjusted in unshorn hair, they looked like jet-age yogis in a sci-fi setting.

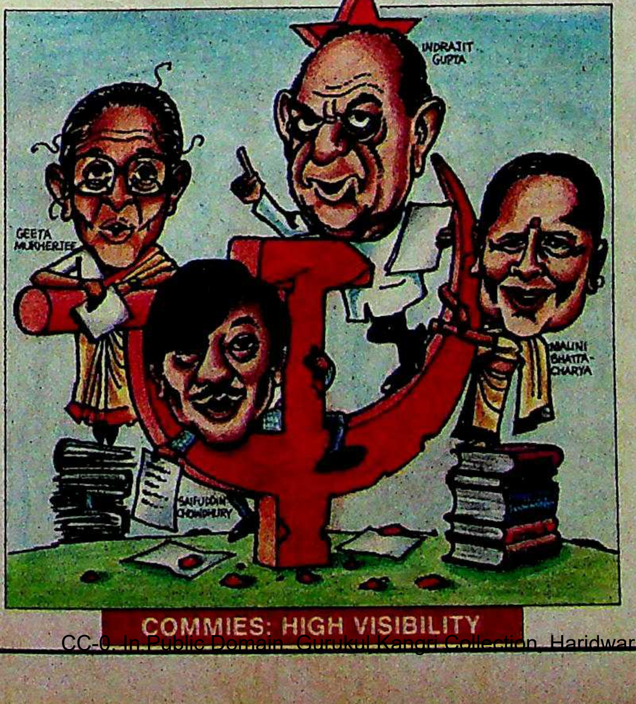
Many of the swamis, however, are not enamoured with the status of lowly MPs. Declares Swami Sakshi Maharaj, BJP member from Mathura: "*Yeh to chhota pad hai. Hum to akhand math ke sarvochch pad par the. Lekin rajniti ko swachh karne ke liye hum is dal-dal mein utre hain.*" (This is a small position. We were in top positions in holy temples. But we have descended into this quagmire to purify politics.)

Yet another group of first-timers which is not overwhelmed by the parliamentary proceedings, are MLA-turned-MPs. Says Suraj Mandal, the Jharkhand Mukti Morcha MP: "I have been in the state Assembly for 10 years. This assembly is just a little bigger." Mandal was one of the first-timers who refused to be intimidated by other members. When someone interrupted him, he cut him short. "Please don't interrupt," he said, "this is my maiden speech."

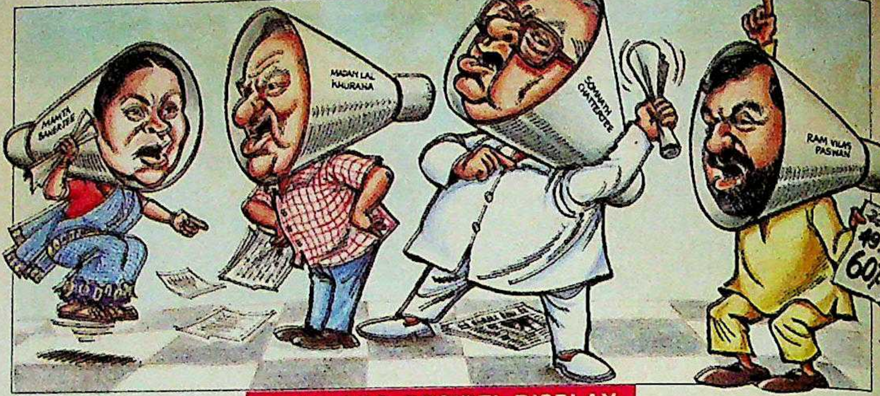
BUT for a majority of the 183 new members, interjecting in debates is a distant dream, while a maiden speech is so far unimaginable. Most are completely overawed by the Lok Sabha. Rita Verma, widow of the slain Dhanbad SP and now BJP member from the mafia-dominated coal town, found the experience "intimidating". Congress(I) member Shelja, the youngest occupant of the House and looking like a college fresher, said: "In the first few days I even took notes. I didn't know that we would get the details of the proceedings!"

Even Arvind Trivedi—unrecognisable as Ravan without his huge moustache and crown—found the ceremony anointing Shivraj Patil spectacular. And Chetan Chauhan, India's one-time opening batsman, was bowled over by his initial stint on the House's sticky wicket. Says he:"I have always taken time to settle down. Here the important thing is to stay on rather than make quick runs."

Even Deepika Chikhaliya, the only real cine-star in the House, is unabashedly "overawed" by the Lok Sabha."When I entered the hall, I told myself, this is the place where India's future is decided. For me it was a big, massive, huge stage," she gushes, starry-eyed. Deepika is one of the 10 women members of the BJP who have been nicknamed the 'Sita brigade'. Nine of them sit together on the fourth row of the opposition benches. At one end is Uma Bharati and at the other are Vasundhara Raje Scindia and Deepika, with two former maharanis—Krishnendra Kaur a.k.a. Deepa from Bharatpur and Mahendra Kumari of the Alwar pal-



COMMIES: HIGH VISIBILITY



HECKLERS: DECIBEL DISPLAY

ace—in between. Sporting an assortment of sarees ranging from silks to chiffons and cottons, the Sita brigade provides a splash of glamour to the House's drab ranks. That has been its only contribution so far.

In contrast, the Leftists have been heard often. Its speakers range from the articulate Indrajit Gupta, who accused the Congress of dumping Nehruvian socialism, to Somnath Chatterjee, the loudest of them all. So effective are the communists that members cut across parliamentary divides to acknowledge their superior debating skills. Says Shelja: "They are a well-read people who do a lot of homework."

The BJP, which now has the benefit of Vajpayee's lucid oration and Khurana's lung power, in addition to the urbane Advani and the smooth Jaswant Singh, has emerged as a formidable force in the House. The biggest loser has been the Janata Dal, whose veteran Madhu Dandavate failed to make it. With both V.P. Singh and Paswan being singled out by hecklers from the Congress(I) and BJP benches, the party is likely to depend more on George Fernandes.

While the standard of proceedings disappointed most newcomers, who lamented that the conduct of veterans was not as dignified as they had expected, the old-timers were not complaining. Members showed remarkable restraint while debating critical issues ranging from the vote of confidence to the pledging of Indian bullion abroad and the Pilibhit "encounters". Explains Jaswant Singh, "The mood is predominantly that of uncertainty. The House is quiet because the situation is grim and noise is not the answer." Adds former Speaker Rabi Ray: "Here the Government has no assured support and there is real fear of a mid-term poll."

Whether this will ensure the longevity of the present House is not certain. What is clear is that there will be numerous twists and turns before the denouement.

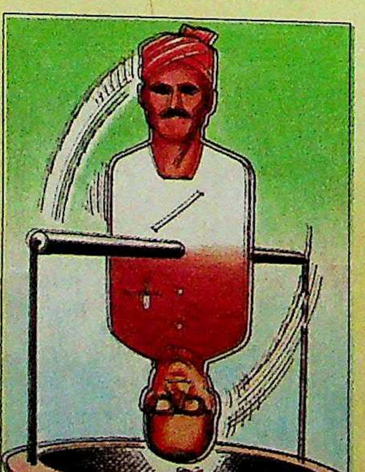
NEW PARLIAMENT

Rural Influx

THE Tenth Lok Sabha may be dominated by midlifers, but as far as sheer parliamentary experience is concerned they are a bunch of greenhorns. A survey by INDIA TODAY correspondents of 320 members, for which detailed information was available, indicated that over a third of the MPs were first-timers. BJP's performance in Uttar Pradesh had a lot to do with it. With the previous Lok Sabha winding up after a mere 15 months, most of the second-timers too have not completed a five-year term in Parliament.

Devi Lal would be happy to note that at least 40 per cent of the MPs surveyed were originally farmers. Says Janata Dal leader Ram Vilas Paswan: "You can hear the heart-throb of *dehaat* (villages) in the House now." Conversely, the contribution of the legal profession has fallen from a record high of 35 per cent in the first Lok Sabha to 7 per cent.

Despite the Mandal brouhaha, the forward castes continue to hold their own. But surprisingly, there are over a third of Scheduled Castes and Scheduled Tribes, thanks primarily to Madhya Pradesh and Bihar. The House is also overwhelmingly male-dominated, with 28 women, just one more than in the last House. The eighth Lok Sabha saw women's representation at its peak: the percentage was 8.1. In the current Lok Sabha, Muslims seem to have lost out. For instance, in the seventh Lok Sabha there was an unprecedented number of 47 Muslims. This time round, there are only 27 Muslims, six of them from West Bengal.



It is a highly literate Lok Sabha, continuing a trend over the years. In the first Lok Sabha about 23 per cent of the members were not even matriculates, but the last Lok Sabha had 74 per cent of graduates and post-graduates. This Lok Sabha is equally educated—two-thirds are graduates or more.

The ninth Lok Sabha had the largest number of members with a rural background: about 40 per cent. The available data on this Lok Sabha suggests a rise to more than 50 per cent. Signifying that the character of the Lok Sabha will continue to change, Jharkhand MP Suraj Mandal said in the House last fortnight: "The country has been split between India and Bharat. It is India which has always ruled over Bharat." Perhaps the hour of Bharat has come.

—KAVEREE BAMZAI and BHASKAR ROY

ASSASSINATION PROBE

A Dubious Twist

Key suspect's sudden death under suspicious circumstances casts a shadow over investigations.

By ANIRUDHYA MITRA in Madras

THE crack team probing Rajiv Gandhi's assassination would have done well to turn the spotlight of investigation on itself last fortnight. That Shanmugam, a prize catch in the case, escaped from the SIT's custody only to be found hanging the next morning, was an unforgivable lapse. But worse still, circumstantial evidence in the death of the key LTTE contact knocks the bottom out of SIT's escape theory and the suicide verdict of the hasty post-mortem report.

According to sources, the gaffe has even more disturbing implications as it points to a death-in-custody, and a more deep-rooted conspiracy. That no prompt action was taken to bring the guilty to book suggests SIT has since been trying to cover its tracks.

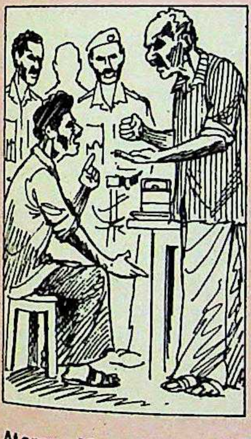
The information suggests that in all probability Shanmugam died of asphyxiation, and was perhaps the victim of a calculated murder. For Shanmugam, squealing to the SIT, had begun to implicate many local politicians and officials. Police sources say that fearing more revelations, someone could have ordered his killing. Perhaps the LTTE which had threatened last fortnight to 'rescue' its members from SIT custody.

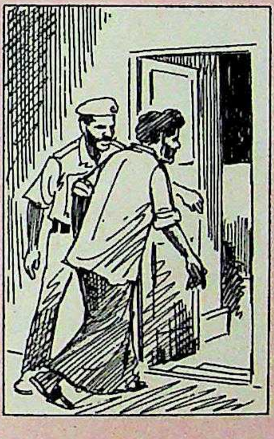
The Tigers would certainly not have wanted Shanmugam to reveal more about Sivarasan, whom he had harboured along with human bombs Dhanu and Shubha. The dark, curly-haired Shanmugam, 40, a rich landlord and smuggler operating from the coastal town of Vedaranyam in Thanjavur district, was a mine of information on the LTTE as he was providing them logistical support in Tamil Nadu. He knew Sivarasan since the time the explosives expert had come to Madras to eliminate EPRLF leader Padmanabha last year. After his arrest on July 17, Shanmugam was cooperating with the SIT and helped unearth huge amounts of explosives and communication equipment.

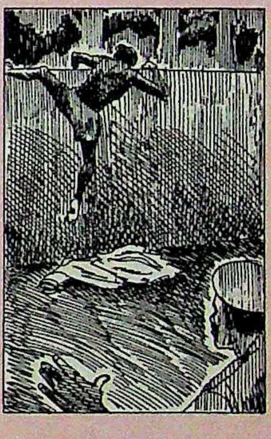
The SIT's version is that Shanmugam had his dinner brought in by his uncle Seetharaman around 9 p.m. on July 19 at the Traveller's Bungalow in Vedaranyam where he was being held. Then under the pretext of washing his hands, he went to the backyard accompanied by a lone guard. And in the dark disappeared scaling the compound wall, leaving behind his khadi

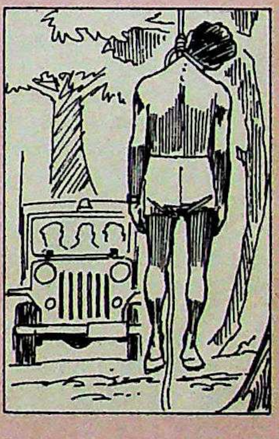
POLICE VERSION

Illustrations by AJIT NINAN


At around 9 p.m. Shanmugam eats dinner brought by uncle Seetharaman at the Traveller's Bungalow.


To wash his hands, he goes to the backyard along with a lone guard.

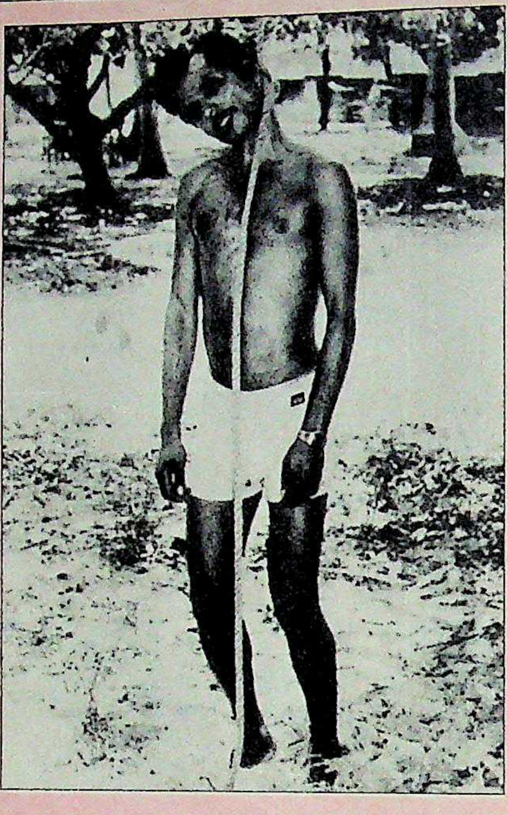

Giving the guard the slip, Shanmugam scales the wall and disappears.


Next morning police find his body hanging from a tree in a park just 50 yards from the bungalow.

GLARING LOOPHOLES

- **There was no rope mark or bruise on the victim's neck.**
- **The tongue wasn't protruding, nor had the eyes popped out.**
- **How did he acquire the 14-feet-long rope away from any habitation in the middle of the night?**
- **How did he give the slip to one DIG, two SPs and 20 policemen?**
- **If an alert was sounded how did he manage to hang himself just 50 yards from where he was held?**

dhoti and white shirt. Next morning his body was found hanging from a tree in a nearby park. A blue lungi was found at the spot.



It is probable that Shanmugam was eliminated by the LTTE or the local politicians who feared that his revelations could implicate them.

The post-mortem was conducted the same day at Nagapatnam, 40 km from Vedaranyam. The report, taking note of the saliva, emission of semen and stools, declared it a suicide. But the SIT story and post-mortem are riddled with loopholes that militate against forensic wisdom:

- ► There was no rope mark or bruise on the victim's neck which the rope would have positively left if he was alive at the time of hanging.
- ► The tongue wasn't protruding.
- ► The face was not congested with a rush of blood. And the eyes had not popped out if he was hanged.
- ► The saliva, stool and semen discharges could have happened in the event of his being strangulated too.
- ► No scratch marks on his thighs—a sure sign of a hanging—for in the last-minute struggle and pain, the hands, unless tied, instinctively scratch the thighs. If Shanmugam was tied up, how could he commit suicide? Neither were skin particles found in his nails.
- ► The only way he could have hanged himself was by climbing the tree, putting a noose around his neck and jumping. The impact would have broken the neck bones or ruptured the arteries which was not the case.
- ► The rope from which he was hanging was 14 feet long. Where did he get it in the dead of night?

These are clear pointers that Shanmugam's death did not occur due to hanging. The evidence suggests the death took place in custody as even the escape story sounds dubious. Firstly, why were Seetharaman and his driver allowed to visit Shanmugam, bring him dinner and sit with him when earlier even Shanmugam's lawyer was denied permission to be present during his interrogation since he was held under TADA? Then, if he escaped, it was by giving the slip to one DIG, two SPs and more than 20 armed policemen. And if such high security was earmarked for the key suspect, why was he not kept handcuffed or padlocked? Because he was 'cooperative', justifies the SIT. Stranger still, why did the guard accompanying Shanmugam never raise an alarm? CBI officials following the investigation from Delhi observe that either the guard was not carrying his gun or he sensed the man was fleeing when it was too late. In that case, why was just one unarmed guard escorting a key prisoner? Moreover, if the red alert was sounded soon after the escape, how could he hang himself in the park just 50 yards from the bungalow.

ACCORDING to one source present at the bungalow on the night in question, it was a typical death-in-the-lock-up incident. He reconstructs the events thus: Shanmugam's uncle Seetharaman, a local landlord and money-lender, had brought food for him. Seetharaman, though considered an LTTE sympathiser, was liaising with the SIT from day one of their arrival near Shanmugam's village, Kodiakadu. Seetharaman's taxi driver, Das, was also with him. Before dinner Shanmugam had an altercation around 9 p.m. with his uncle. Seetharaman accused him of settling scores with his rivals in the area by falsely implicating them with LTTE activities or the assassination conspiracy.

The argument went on till about half past ten. The DIG and the SSPs had already gone to sleep. At one point of time, only Shanmugam, his uncle, his driver Das, and two unarmed constables were left. Suddenly, the constables, supposedly at the instance of Seetharaman, started thrashing Shanmugam. No one intervened.

The source continues: "All we know is that he collapsed. We suspect that it was a case of asphyxiation. The senior officers were informed only when the man was dead. Yet a party was sent out ostensibly to search for Shanmugam even as his body was very much with us. His clothes were taken off before the body was hanged. But in a hurry and panic, we forgot to remove his wrist watch. The lungi found at the spot actually belonged to Das. Sometime after 3 a.m. the body was hanged."

The post-mortem was conducted at Nagapatnam and not in Madras where there are better facilities—fearing resentment from locals. The body was also handed over to Shanmugam's people immediately for cremation. Something never done in a sensitive case like this. Consequently nobody could challenge the suicide verdict.

Clearly, the SIT has something to hide. That is why not a single policeman was suspended. Nor had Das and Seetharaman been arrested. Because then SIT would have had to come on record explaining their role in Shanmugam's escape or possible killing.

Union Home Minister S.B. Chavan has said the Government is determined to get at the root of the incident. For the purpose, the CBI's additional director was holding an inquiry. But Shanmugam's bizarre death, with its hint of a wider conspiracy, has put the credibility of the entire investigation into doubt and SIT at the moment needs to answer as many questions as it is asking.

Factional Fireworks

Even as V.P. Singh tries to balance between the Left Front and Congress(I), Ajit Singh's revolt shows the deep rifts in the party.

By ZAFAR AGHA

BARELY eight weeks after the elections, the Janata Dal appeared headed for a second split—within a space of just nine months. The party was recovering from its electoral debacle when Ajit Singh pushed it into yet another crisis. A letter from the Jat leader—the sole inheritor of Charan Singh's mantle—set the party afire.

It was, indeed, an unusual letter challenging party supremo V.P. Singh's leadership and blaming him for the Janata Dal's reverses in several states. "You (V.P. Singh) are unwilling to admit that your stewardship of the government and the party over the last two years had anything to do with the debacle," Ajit wrote.

The letter was but the tip of the iceberg. What lay submerged was the frigid reality of internecine tensions building up for a while. Ajit Singh's restiveness was apparent soon after the elections when he began to absent himself from the Political Affairs Committee's (PAC) meetings, which his supporters criticised for working as a cabal. The guess was that it was only a matter of time before he'd go guns ablazing against the Raja. There were even rumours—never convincingly denied—that Ajit Singh would cross over with his followers to the Congress(I) camp.

What precipitated the shoot-out was the scramble for top party posts, lying vacant ever since the Chandra Shekhar and Devi Lal factions walked out of the Janata Dal last November. Last fortnight in a determined bid to flush Ajit out into the open, V.P. Singh and his supporters finally let it be known that none of Ajit's followers would be accommodated in the vacant positions to be filled by party president S.R. Bommai.

Ajit had all along angled for the post of secretary-general but had been opposed by arch rival Sharad Yadav. V.P. Singh also quietly opposed Ajit: both are from the same state and V.P. Singh is determined Ajit should not expand his base within the party. Ajit, too, sees himself as a challenger to V.P. Singh's leadership. In fact, a week before he sent off the controversial letter, Ajit had

Chart by B.K. SHARMA

V. P. SINGH'S STRANGLEHOLD

PARTY ORGANISATION

S.R. BOMMAI
Party President

POLITICAL AFFAIRS COMMITTEE

VP LOYALISTS	*DISSIDENTS*
S. R. Bommal	Ajit Singh
Laloo Prasad Yadav	George Fernandes
Sharad Yadav	Biju Patnaik
Ram Vilas Paswan	R. K. Hegde
I. K. Gujral	Upendra Nath Verma
Mufti Mohammed Sayeed	
Madhu Dandavate	

VICE PRESIDENT	Ram Vilas Paswan, V. P. Singh's nominee
SECRETARY GENERAL	V. P. Singh's protege Sharad Yadav pips Ajit Singh to the post
PARLIAMENTARY BOARD CHAIRMAN	Mufti Mohammed Sayeed

JANATA DAL PARLIAMENTARY PARTY

LOK SABHA

V. P. SINGH
Leader

RAM VILAS PASWAN
Deputy Leader

SRIKANT JENA
Chief Whip

MOHAN SINGH
Deputy Whip

EXECUTIVE MEMBERS	Saroj Dubey, Hari Kishore Singh, Nawal Kishore Sahi and Sukhdeo Paswan
TREASURER	Som Pal , common both for Lok Sabha and Rajya Sabha

RAJYA SABHA

JAIPAL REDDY
Leader

S. D. SINGH
Deputy Leader

RAJMOHAN GANDHI
Gen. Secretary

EXECUTIVE MEMBERS	Kamla Sinha, Mira Das and J. P. Javali

V. P. Singh was unanimously declared leader of Janata Dal Parliamentary Party and was authorised by all factions to nominate the other members.

Virtually every post in the parliamentary party and organisation is manned by V.P. Singh's men, and for Ajit Singh losing the secretary-generalship to Sharad Yadav proved the last straw.

won an important political fight in Uttar Pradesh. His backer Kailash Nath Yadav had been nominated leader of the state legislature party against V.P. Singh's nominee Reoti Raman Singh. He had also recommended his protege Anwar Ahmad's name for the Uttar Pradesh Janata Dal presidentship.

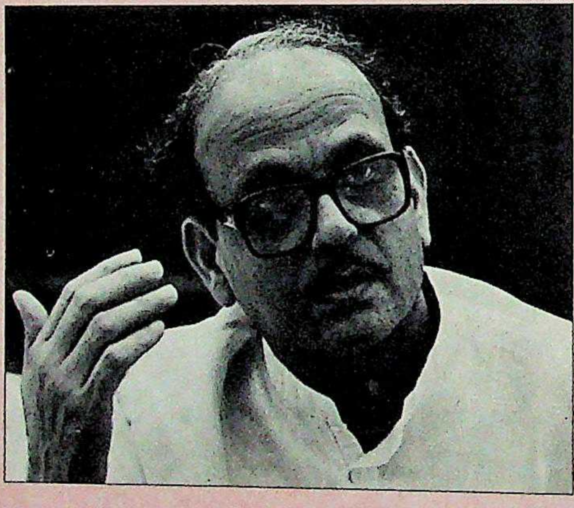
Ajit's strategy was to maintain his hold in Uttar Pradesh where he claims he has "the backing of 50 MLAs" out of the 89 Janata Dal MLAs. And his claim is not much off the mark. Which is why V.P. Singh accepted Kailash Nath Yadav as the state assembly leader.

Having won the first round, Ajit felt he could push the Raja to the wall in Delhi too. But Ajit didn't realise he was on weaker ground in Delhi *(see chart)*. The Jat leader had lost the elections to the parliamentary party posts to V.P. Singh and his supporters. Moreover, during the last general elections most of Ajit's nominees from western Uttar Pradesh—his real power base—were defeated. It would take at least 19 MPs to split the 56-member Janata Dal in order to avoid the anti-defection law. But Ajit was left with just half a dozen Lok Sabha MPs.

WHILE leaders like Rasheed Masood, Sat Pal Singh Yadav, Harpal Panwar and Ajay Singh stood by Ajit, many wouldn't openly side with him. For instance, George Fernandes and Biju Patnaik, who are said to have encouraged Ajit to send the letter, disappeared from Delhi on the day the PAC met. Ajit was hamstrung by the fact that though his backers were willing to provoke him, they would not stand up for him. Sensing this weakness, V.P. Singh's camp prepared for packing its own men in key party positions.

Apart from this, Ajit and his group made another mistake. When V.P. Singh invited Ajit's men to discuss "party matters", they avoided meeting the Raja. Moreover, at the PAC meeting—when Bommai was authorised to fill party vacancies—Ajit kept saying that he was "not interested" in any position. It was only when Upendra Verma informed him that the list had been finalised and he and his supporters were out of it that Ajit made the move.

In what he believed would be a pre-emptive move Ajit shot off the letter. But as he dangled the bait, V.P. Singh went in for the kill. Instead of buckling under



BHAWAN SINGH

V.P. SINGH

"Rao should consult us"

DESPITE the electoral set-back to his party and Ajit Singh's rebellion, Janata Dal leader V.P. Singh looked confident as he spoke to Principal Correspondent ZAFAR AGHA *at his Teen Murti Road residence last fortnight. Excerpts:*

Q. ***For some time after the elections you seemed to have dropped the Mandal issue. So, has there been any rethinking in your party on it?***

A. Well, I don't know.... But within a year of our Mandal announcement, every party is talking about reservation of jobs for the backward castes.

Q. ***So for your party social justice and Mandal remain the main issues.***

A. Our commitment is to the deprived sections and that cannot change with electoral vicissitudes.

Q. *Before the polls you told* INDIA TODAY *that the party would split.*

A. When you take a particular social line, there may be people who'll not agree to it and may part company.

Q. ***But what about Ajit Singh?***

A. It is for the party to decide. In other parties too there are differences of opinion, but only we get picked out.

Q. ***The Ajit camp says talks with the Congress(I) broke down only because they had suggested Rashid Masood's name as deputy speaker.***

A. The talks broke down because we wanted to maintain our identity.

Q. *How do you react to the prime minister's call for consensus on major national issues?*

A. We are all for consensus. But the essence of consensus is consultation. They take unilateral decisions, for instance on the economy. The prime minister has good intentions but should change his method.

Q. *Do you agree there is a need to reorient our economic approach?*

A. In 1986 as finance minister, I had come up with a formal paper projecting expenditure, deficit. And I'd predicted that by 1991, we'd be broke. I got my package of measures cleared by end-November but by January 1987 I was moved to defence...

Q. *Were you shifted because of vested interests?*

A. Certainly they played a role. It was a concerted effort.

Q. *The Government is trying to follow policies initiated by you as finance minister. Do you agree with their approach?*

A. We need modernisation. And it can, as a trickle-down effect, generate a lot of employment. But if there is immediate displacement, we have to take care of that. We have to look from the roof top and get our Indian synthesis.

Q. *What's this Indian synthesis?*

A. Well, the Government, the labour, the industrialists must sit together and discuss the issue.

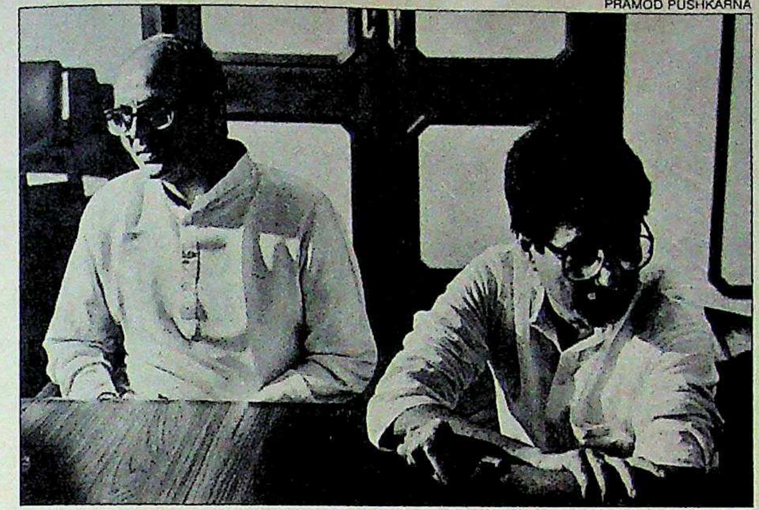
Q. *But what about retrenchment?*

A. That means there's no concern for the worker. This is the attitude.

Q. *Do you support de-regulation?*

A. There has to be internal competition. Then there'll be general improvement of product and price. And these huge profits they make because of their monopoly, that can be broken. For instance, agro-industries like sugar can be de-licenced.

pressure, as Ajit had hoped, and postponing announcements to the party posts, V.P. Singh immediately called the PAC which approved all his nominees: Mufti Mohammad Sayeed as chairman of the parliamentary party board; Sharad Yadav as secretary-general; Ram Vilas Paswan as party vice-president; and four men with little or no organisational experience as general secretaries. But the unkindest cut of all was the nomination of Ram Pujan Patel—another rival of the Ajit camp—as Uttar Pradesh Janata Dal president. And, the nominees will remain in their positions until party elections are held at an unspecified date.


PRAMOD PUSHKARNA

V.P. Singh and Ajit Singh: conflict of interests

Yet V.P. Singh supporters like Jaipal Reddy were quick to announce "there is no crisis in the party". Ajit may have moved too quickly and releasing the letter to the press may have been a tactical mistake as he laid himself bare to the criticism that he had washed dirty linen in public.

Ajit's response was: "It is group politics. V.P. Singh and Bommai have packed the party with their own men." Ajit's criticism was not off the mark. V.P. Singh's quest has been for a party that would accept him as the unquestioned leader. Privately, he has complained of "betrayal" from within. Of late Ajit, Fernandes, R.K. Hegde and Biju Patnaik had been showing signs of restlessness over the Mandal plank.

V.P. Singh knows the resistance to his Mandal strategy can come from only these leaders. By sidelining Ajit, the most powerful factional leader of the three, V.P. Singh has taken the sting out of their combined opposition. Aware that if he throws Ajit out of the party, he will split the party and the MLAs in Uttar Pradesh, the Raja is eventually likely to settle for a compromise with Ajit.

There are other differences as well. Ajit and his backers believe the next election will be fought between the Congress(I) and the BJP in which the Janata Dal will be even further marginalised. So it is better to ally with the Congress(I) now. But V.P. Singh wants to protect the Janata Dal's opposition party image. The Janata Dal is now virtually V.P. Singh's vehicle and he is all set to once again launch his Mandal mantra sans any resistance from within. But the long-term consequence of this will be to further narrow the party's base and make it even less attractive as an alternative on the national stage.

THE CPI(M)

A Clandestine Affair

Jyoti Basu and his party play courting games with the Centre, but retain their anti-Congress(I) veneer to protect their bastions.

By ARUN CHACKO with RUBEN BANERJEE

TODAY the Left, especially the majority CPI(M) component, is a little like someone having a clandestine affair. On the face of it, it is solidly in bed with the National Front-Left Front alliance and is taking a hard line against the Congress(I) Government. But despite its protestations, in private there is evidence of growing interaction between senior CPI(M) and ruling party leaders.

The CPI(M)'s ambivalent position vis-a-vis the Congress(I) is part of an overall strategy to consolidate its position at the Centre while retaining its clout in its bastions, chiefly West Bengal. Like all other political parties which are wary of precipitating another election, the CPI(M) needs to ensure that the present Congress(I) Government at the Centre survives. But an overtly pro-Congress(I) stance can cost the CPI(M) dearly in its strongholds where the strength of the cadres is based on a rabidly anti-Congress(I) position. And the leadership cannot afford to alienate the rank and file in West Bengal, which contributes three-quarters of all party MPs. Moreover, almost two-thirds of the CPI(M) members nationwide are also from the red haven in the east.

To ensure freedom from Central interference and prosperity in West Bengal, the CPI(M) has no choice but to play along with the Centre.

Also to ensure freedom from Central Government interference as well as the prosperity of its sole provincial government in the country, the CPI(M) has no other choice but to play along with the Centre. A top Left leader confessed that the CPI(M) was much more eager to support the Congress(I) Government than the rest of the opposition National Front-Left Front alliance. Said he: "It was very keen that the Congress(I) gets the Speaker's position. It does not want confrontation. Otherwise the Centre can create problems in West Bengal."

Given this, the intra-party altercation over party veteran E.M.S. Namboodiripad's open letter to Congress(I) President P.V. Narasimha Rao, asking the Congress(I) to shed its hostility towards the Left, was really a bit of an eyewash. Several top CPI(M) leaders, among them Jyoti Basu, were ostensibly provoked to criticise the veteran leader's gesture. But in reality none of them could have taken serious objection to Namboodiripad's move.

THE incident illustrates the embarrassment the party is likely to face because of its little infidelities. Not only is there a difference between public position and private preference, but also between the CPI(M) top leadership's and rank and file's assessment of the Congress(I). For decades, the rank and file has been politically and physically battling Congress(I) workers in the states of West Bengal, Kerala and Tripura. Getting workers to understand the sudden change in sentiment may prove difficult.

Basu is one of the main architects of the calibrated caution that the CPI(M) is showing towards the Congress(I). Ever since he assumed power in 1977, Basu's political graph has been on the rise—within West Bengal state as well as in the national arena. With Namboodiripad's retirement being imminent and the party electing a new general secretary in January next year, observers see Basu's clout rising. And as long as he can carry West Bengal with him, his opinion will matter.

JYOTI BASU

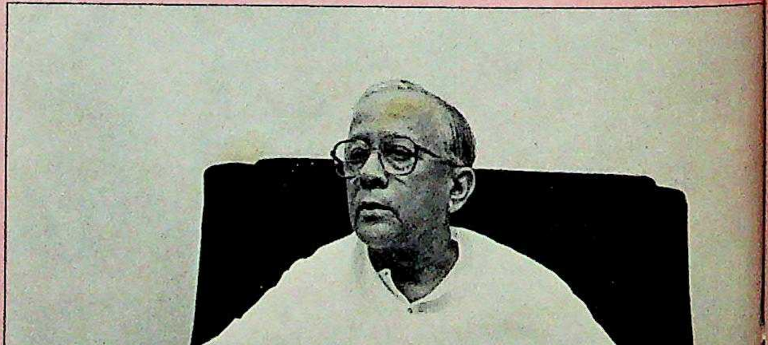
"We can't be taken for granted"

THE first thing that strikes you about Jyoti Basu is that he looks virtually a decade younger than his 78 years. The frame is compact; the face wrinkle-free; the manner alert; the diction precise. Despite his image of being a leftist with a capitalist sheen, it is clear that communist ideology is deeply ingrained in the West Bengal chief minister. He sticks to the party line and is conscious of saying the right thing. Before the Budget was announced, Editor AROON PURIE *spoke at length to the* CPI(M) *stalwart, who is at the heart of an evolving relationship with the Congress(I), at Writers' Building, Calcutta. Excerpts.*

Q. *What do you think about the way the economic crisis is being handled?*

A. We do not know the policies of this minority government. Our attitude is, and hopefully the National Front also agrees with us, that none of us want elections right now. So it is the responsibility of the minority government to ensure that they receive support from the Opposition on various issues. We want to give it a chance—we wish to see what they do. So it is all the more necessary that we discuss what they have in mind for our problems, both external and internal. To begin with, when this minority government started announcing various piecemeal policies on the economic front—ours being almost a bankrupt nation—we said you must spell out the conditionalities of the IMF loan. We must know the terms—how much of it is profitable and how many of the conditions are bad for the people of India. But unfortunately, everything has been kept a secret. We are rather afraid of the consequences—all the more since America is now on top. It needs no mention that America dictates terms to the IMF. We certainly are terribly unhappy over the situation.

SAIBAL DAS



Q. *Does it mean that you have not been consulted at all?*

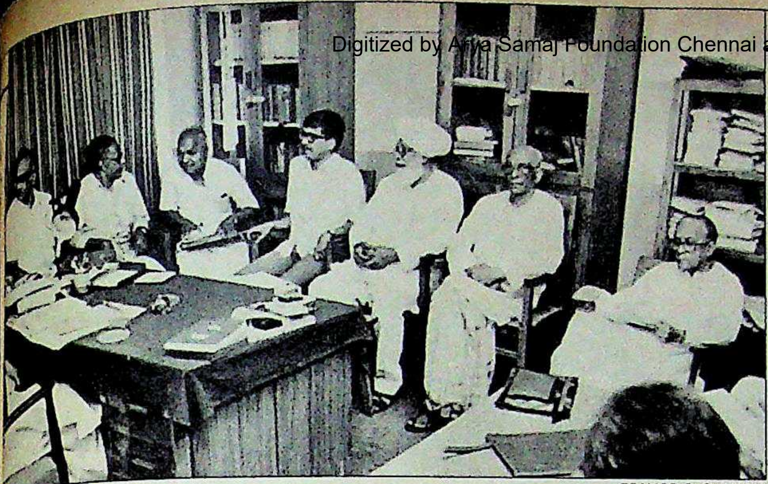
A. The finance minister spoke to me. But there have been no discussions. What are they going to do with the loan? Have they thought about radical changes in the policies? Will it help the people? We have a whole lot of posers on these issues.

Q. *Do you feel the Congress(I) is abusing the situation, knowing that you cannot make the Government fall?*

A. I would not put it that way. But we have told them that they cannot take us for granted. If they persist with keeping us in the dark, I am afraid we will have to reconsider our position.

Q. *Would you agree that the situation called for moves like devaluation?*

A. Whether such measures were inevitable, we do not know. But why did they do it twice? We have given them a whole lot of suggestions on the


PRAMOD PUSHKARNA

A CPI(M) meeting: difficult position

This CPI(M) softness towards the Congress(I) at the national level has not yet undermined the Left Front, or its understanding with the National Front. It is unlikely to do so soon either. The CPI has been a long-standing ally of the Congress(I) and has no great interest in seeing the current Government's downfall. Nor for that matter does the National Front.

The ostensible Left rationale for treating the Congress(I) with kid-gloves is different. It says the country has been

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economic front—that NRIs could be wooed. They have thousands of crores of rupees to be invested in India. We suggested tapping domestic sources to generate funds. But the Government is not considering any of these at all. They suffer from shortsightedness.

Q. Does it matter whether foreign investments come from NRIs or foreign investors?

A. First of all we must tap the sources. There are certain limitations but there is no ban on foreign investments. But we must know what the export-import policies are and whether we can save some resources.

Q. What about privatisation of the public sector?

A. I am still waiting for the policy. But that alone cannot be the panacea.

> "We are afraid of the consequences of the economic reforms. All the more since America is now on top. We are terribly unhappy."

You must remember that the major industries are in the private sector. When one talks of privatisation, it becomes difficult for me to understand whether such a step will help us. I find that in the private sector over 2.5 lakh units are sick. Some have been closed, some are about to be closed. But there are quite a few which are very well managed. So it all depends.

Q. Should we allow a sick private sector unit to close? The procedure has been that if a private unit falls sick, the Government takes over.

A. No, the Government has taken over only very few. But again I must say that I do not believe that all these 2.5 lakh units can be revived and made profitable. If they are to be closed, workers have to be paid their dues, but attempts should be made to revive them. That is what we have been doing in West Bengal. One has to go by individual cases. I cannot say what the rule should be.

Q. If the economy is market-oriented, should industry not be allowed to close when it thinks necessary?

A. But whose fault is it anyway? The management took money from banks but they failed to run their units. The management does not suffer. They take out their money and go away, without clearing the dues of the workers. They certainly don't suffer.

Q. How would you restructure the economy then?

A. That some industries have fallen sick is not the only problem. More importantly, there is no market. That industries are sick is just one facet of the problem. Why have there been no land reforms? That could have served as a solid foundation to our economy. We must straighten out our priorities. We import—but for whom, for the vast majority of the people or for a few?

Q. But liberalisation, exit policy are anathema to you?

A. Liberalisation for what? Let them liberalise their procedures. Why do they take two years to issue a licence? I asked the new Japanese ambassador—why don't you take more interest in investments here? He said he is interested but complained that getting a licence takes two years. The bureaucratic procedures must be streamlined first. Why don't they do it?

Q. It seems you are in a fairly uncomfortable position—supporting things which you don't like.

A. Yes. It is not a question of whether I like it or not. But I don't like to go under. I don't want the American finance minister to look after us. We should do whatever is possible ourselves and then if help is needed, we can get it from outside. We have big multinational corporations working in West Bengal. We have no difficulty.

Q. So where will you draw the line? Say the Congress intends to do something, say the exit policy, that is unacceptable to you?

A. We don't support that. We'll send all the workers to the prime minister if the policies lead to closures, unemployment.

Q. The Government will fall then.

A. It will. We have to look to the people, not the Congress(I) Government. If we disagree with the Government, we go to the people. Let us have five elections. Let the people learn from experience.

Q. Has the Congress(I) promised you clearance of delayed projects?

A. No, we have not had any discussions. What had been cleared earlier stands.

Q. There seem to be differences developing between your party and the National Front. How do you view that?

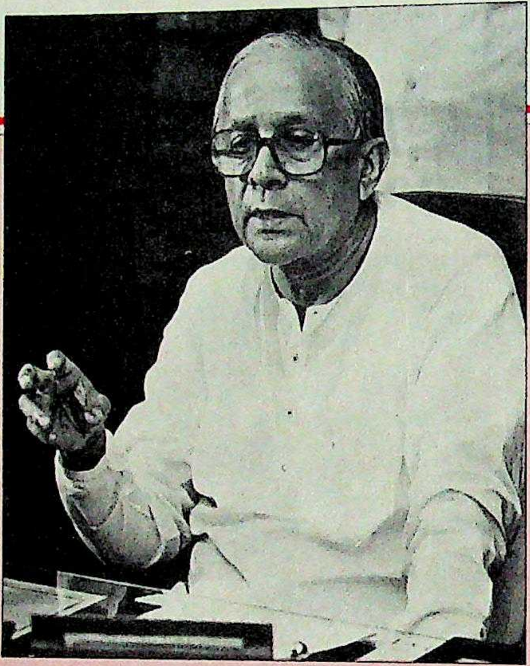
A. We have told them. You have not been able to build up your party.

Q. There is a feeling that the Left Front is more willing to support the Congress(I) than the National Front.

A. Whose feeling is that I don't know. It is not our feeling. We have through successive traumatic general elections and cannot suffer another, especially when the common man is looking for stability and a solution to pressing economic problems. The combine has received a mandate to sit in the Opposition, and will respect that, it says. Meanwhile, it will support positive government steps to solve national problems like Kashmir and Punjab.

But this cosy relationship could slip up on the altar of the new economic, industrial and labour policy. As a party spokesman declared: "As far as the CPI(M) is concerned, economic policy is the crucial issue which could decide the party's attitude towards the Government. Here there could be a real confrontation with the Congress(I) in the future."

It will take time for the impact of the new policies to be felt. The party will take stock of the situation then. Meanwhile, trade unions and other leftist organisations have been asked to resist policies which could lead to economic hardship. But there is some doubt whether it could snowball into a major Left-Congress(I) confrontation. The Government appears safe, for now.


SAIBAL DAS

been fighting the Congress(I) as well as the BJP. The only difference is that since nobody wants an election, we are not going for it.

Q. *Are there differences between you and E.M.S. Namboodiripad on the attitude to the Congress(I)?*

A. There is no difference. We are a democratic party. But once a decision is taken it is binding on everyone.

Q. *But you had dubbed a letter from EMS to Narasimha Rao, seeking a change in the attitude of the Congress(I) towards the Left parties to checkmate the BJP, as untimely.*

A. EMS wanted to know the Congress(I) attitude towards us. That was election time. I spoke to EMS later on. He was guided by the ground realities in Kerala—there the Congress(I) had some kind of electoral understanding with the BJP.

Q. *On one side you would like to have a joint anti-communal front and on the other you have economic policies you don't like. How do you balance the importance of these two?*

A. I think both are important. I can't sort of weigh them in the balance. We say even if the Government was in the majority, the secular opposition has to be taken into account.

Q. *Do you see events in the Soviet Union and Eastern Europe having any bearing on us?*

A. No, no, I do not know what has happened there. So don't ask me.

Q. *You do not feel the Government is interfering too much in the economy?*

A. About licensing and all that, I do feel so. It should be much more liberalised. I see what is happening to Centre-state relations. Every time you have to rush to Delhi. All that needs to be changed. The main point is how much of outside investment will you allow. And then what happens to the self-reliance that we have been talking about? Or do we go on depending upon the outside world?

Q. *We can get left behind.*

A. Yes, we may get left behind. You see some people talk only about industries. But what happens to agriculture, the people who live in the villages? Now prices are bound to rise. Nobody can stop it in this system. They have no cure for it. So we say market economy does not help there. You have got to protect the people. But just now if you get rid of the subsidised economy, they would all starve. They have no purchasing power. What do they do? You need some subsidy, but with discretion.

Q. *You have had a very successful stint here, but why is it that you have not succeeded in coming out of two basic pockets—West Bengal and Kerala?*

A. It's a long story. One is the organisational aspect. We have to be able to organise popular movements. A time comes when you have to organise movements and if you lose the opportunity, then you fall back. Maybe something like that has happened in many areas which I can't tell you just now. But it is true that we are confined to a few areas.

Q. *How long do you think this Government is going to last?*

A. That is anybody's guess. I told you at the beginning of our discussion that the responsibility lies with this Government as to how long it will last. And it must not take the Opposition for granted. They must also remember that as far as the secular forces are concerned, the big communal forces can come up and that party is waiting in the wings for the next elections to come. That would be a disaster for India.

> "If we disagree with the Government, we go to the people. Let us have five elections. Let the people learn from experience."

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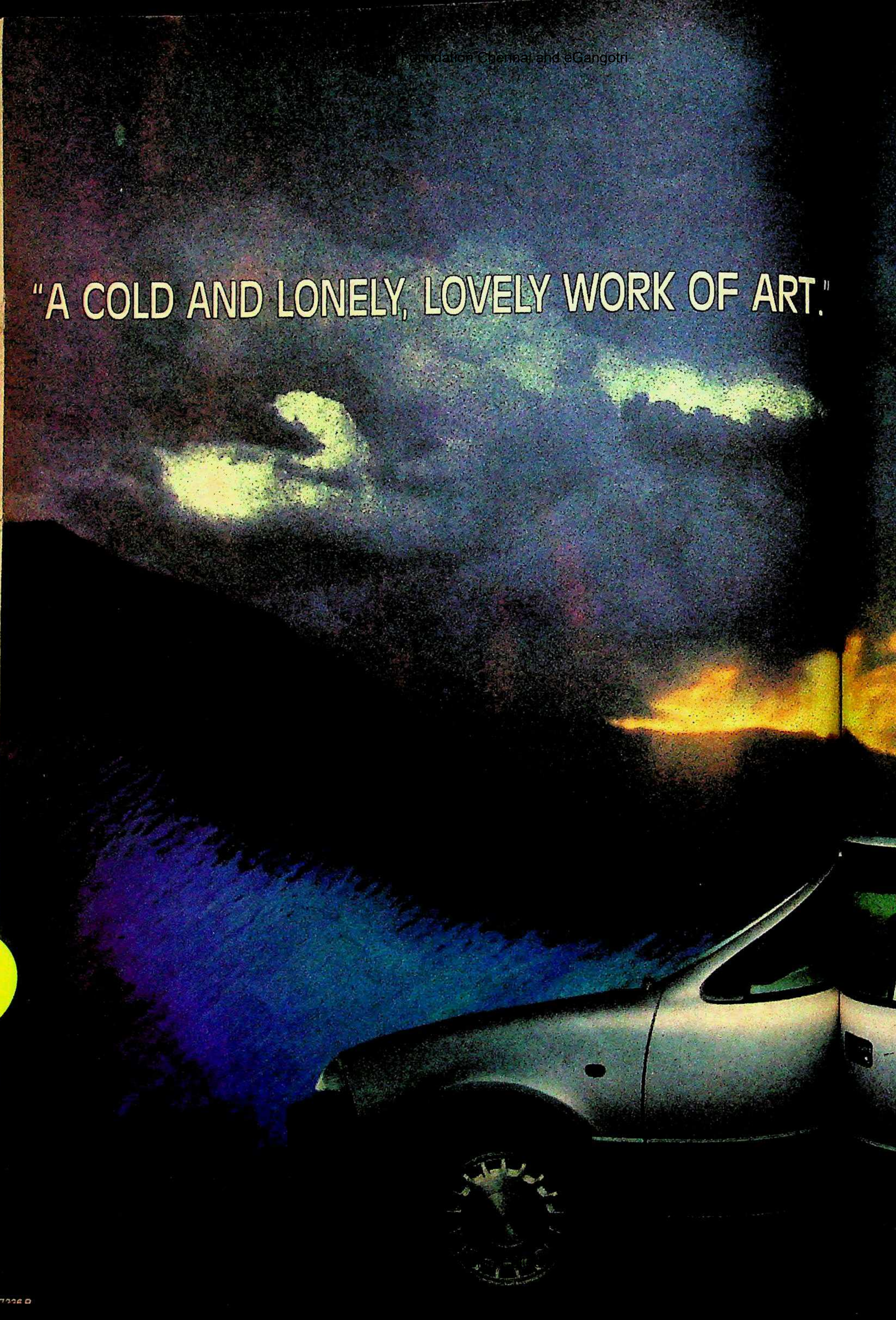
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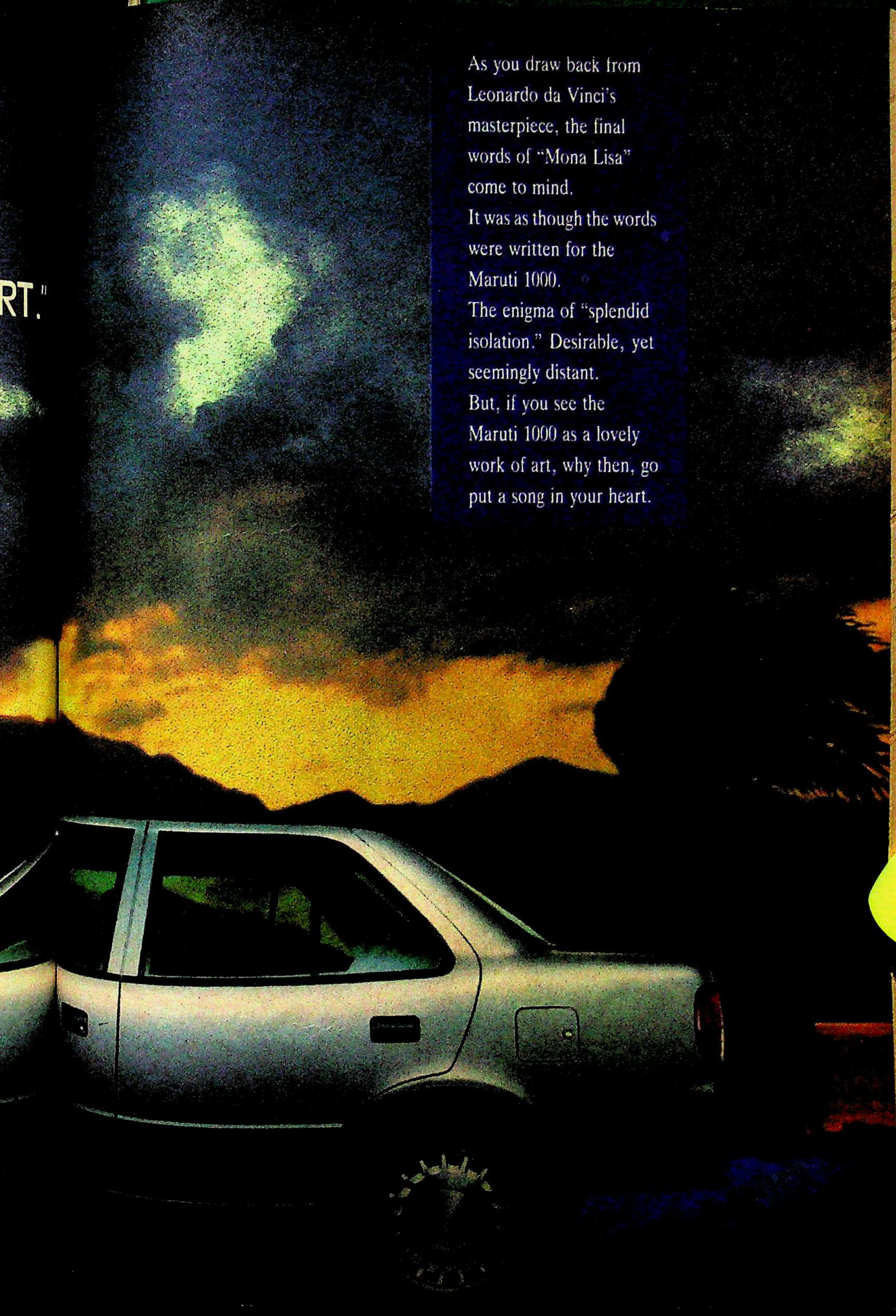

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Photographs by PRAMOD PUSHKARNA

Victim Narinder Singh's mother (centre); and (inset) Tripathy

UTTAR PRADESH

Campaign of Terror

'Encounter' killing of Sikhs raises a furore

THE state's first major encounter with terrorism degenerated into a tragic farce with the brutal killing of 10 Sikhs last fortnight by the Pilibhit police. Though most of the victims were later identified as militants, the criminal manner in which they were gunned down is bound to have repercussions for the state. Ominous signs of this were available 24 hours after the Pilibhit massacre when militants killed four people in neighbouring Shahjahanpur.

However, it is the public outcry against the police action which has put pressure on Chief Minister Kalyan Singh to announce a judicial inquiry and transfer Pilibhit Superintendent of Police R.D. Tripathy. The state Government had little choice. While two of the 10 killed in three separate 'encounters' were well-known militants—Khalistan Liberation Army Baljit Singh and Khalistan Commando Force chieftain Jaswant Singh 'Fauji'—the identity of the others is uncertain. The police claim that the six from Gurdaspur were terrorists, while eight are said to be wanted for crimes.

But nothing explains the killing of the two boys from Pilibhit. Especially Lakhwinder Singh, 17, whose innocence locals swear by, even though the police claim there are five cases against him. Police mala fide is also evident in the way the bodies were disposed of, without informing the families.

The available evidence indicates that those killed were part of a group of pilgrims travelling from Terai to Hazur Sahib Gurdwara in Nanded in Maharashtra. When the police got a tip-off on some militants boarding a local bus, they swung into action.

According to passengers, a police posse halted the bus at Kachla Ghat in Badaun district on July 12, off-loaded 11 youth and put them on a waiting mini-bus. Some policemen joined the 14 on the bus—among them Pal Singh, his wife Sawinder, and Joginder Kaur, who attest to the account—and the convoy of half a dozen vehicles started off. Four hours later, it reached Pilibhit and headed towards the forest. While the luxury bus was escorted back to the Pilibhit gurdwara, the other vehicles ploughed deeper into the forest, where the youth were reportedly divided into three separate groups before being killed.

Tripathy, who had announced the killings to a local reporter with great elan the next morning, says the police had nothing to do with the off-loading of passengers. But Swaran Singh of Madhwapur village, about 30 km from Pilibhit, says he saw some policemen get down from a vehicle at 5 the next morning and walk towards the thick forest cover of Phagunia Ghat. A little later Swaran Singh and his family heard screams of *bachao, bachao*, followed by gunshots.

There is another mystery: that of Talwinder Singh Billu of Nawadia Banki village who was off-loaded but is not among those reported killed. There is a suspicion that he might still be with the police, but Tripathy denies it.

While many officials backed the police version of the incident, BJP legislator from Pilibhit V.K. Gupta queered his party's pitch by terming the encounters fake. Then furore erupted in Parliament—by fortnight-end, Tripathy was heard lamenting: "I am facing a terrorist onslaught on the one hand and a public outcry on the other." But he has no one to blame but himself and his colleagues. And with the local Sikhs' growing alienation from the police, matters could worsen.

—KANWAR SANDHU in Pilibhit

UTTAR PRADESH

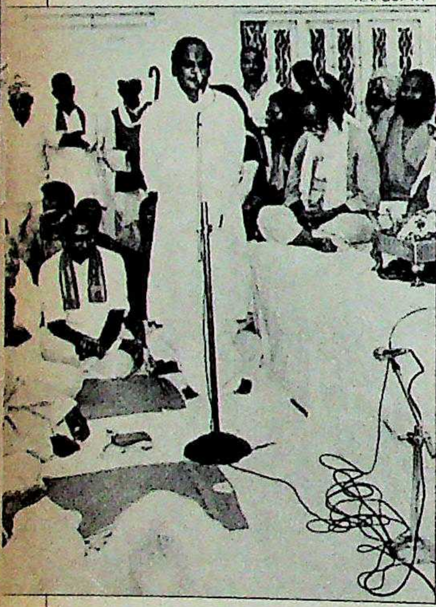
Temple Talk

BJP-VHP take a hardline

AYODHYA seems like the leitmotif of the BJP Government. Chief Minister Kalyan Singh is taking a hardline on the Ram temple issue, and also clinging tightly to the VHP's apron-strings.

Singh and his team were last fortnight participating in the VHP's *asheervachan* (blessings) programme, the first public demonstration of the growing BJP-VHP ties since the BJP took over. It ended with the VHP urging the Government to clear all obstacles for the construction of the temple by November 18, and Singh giving the assurance that he was committed to constructing the temple at the disputed site. Said he: "The people have given us the mandate for this very purpose." Nodding in approval were VHP leader Ashok Singhal and several religious heads.

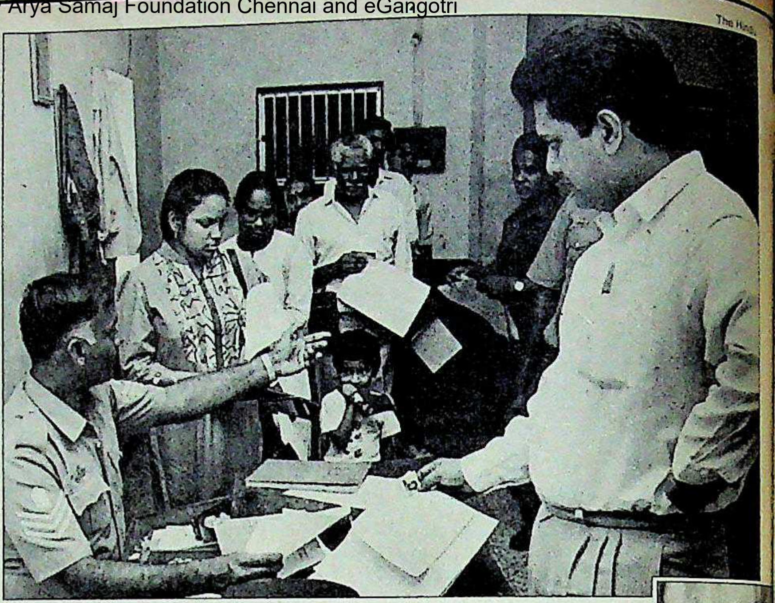
R.K. GUPTA



Singh addressing VHP leaders

Furthermore, the Government transferred 67 officials—including Home secretary A.K. Rastogi, director-general (police) V.K. Jain and former commissioner of Faizabad Madhukar Gupta, all prominent on the VHP's hit list after the Ayodhya killings last year. Clearly, the VHP's grip on the Government has tightened. —DILIP AWASTHI

The Hindu

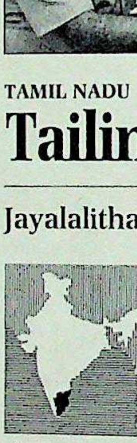


Sri Lankan Tamils registering in Madras; and (right) Jayalalitha

TAMIL NADU

Tailing Tigers

Jayalalitha takes on LTTE



WHEN Jayalalitha makes up her mind about something, there's no stopping her. On assuming power, the first thing she wanted to do was to eliminate the LTTE menace from the state. And her government got cracking on it with alacrity. Public notices were issued in leading dailies asking all Sri Lankan Tamils living outside refugee camps to register themselves at the nearest police station.

The punishment for non-compliance was deportation. The people concerned were given seven days to register, but the deadline was extended twice. By the end of it just around 25,000 or a fourth of the targeted people had registered. Others ought to be worried, for Jayalalitha can carry out her deportation threat. For one, her honeymoon with the people and the press is still on. And a comatose DMK is unlikely to raise its voice especially with the coming by-elections to four assembly seats.

Predictably, the Sri Lankan Tamils are in a tizzy. The registration notice does not distinguish between the Sri Lankan Tamils of Indian origin and those who are Sri Lankan by descent. Says M. Ranganathan, head of an association of Sri Lankan Tamils of Indian origin: "For generations we've lived in the central provinces of Sri Lanka. We have absolutely nothing to do with the north and the east."

Sri Lankan Tamils are now facing discrimination in other forms too. "It's now tough for our children to get admission in schools," says one. Then, many have been asked to quit their jobs. Worse, as P. Thangavel says: "In Sri Lanka we were discriminated as Indian Tamils. And in India we are being asked to leave because we are from Sri Lanka."

Not that all the Sri Lankan Tamils are living in fear. For instance, those who had been returning to India since the 1958 riots and have applied for Indian citizenship, have welcomed the registration move. They are hoping that it will pave the way for the recognition of their separate identity.

Meanwhile, Jayalalitha made another move to curb the movement of LTTE men. She banned fishing in a five nautical mile zone on this side of the international boundary line along the coast. However, the ban was later lifted following lobbying by fishermen. Furthermore she has sought Rs 20 crore from the Centre to create a crack force in the armed reserve wing of the police to tackle terrorism. Clearly, when Jayalalitha declared "we will act, we will not speak too much", she meant business. But whether she succeeds in flushing out the LTTE is another matter altogether. —KAVITHA SHETTY

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ANDHRA PRADESH

Under Fire

Reddy wavers with dissidents

A mere seven months in power and Chief Minister N. Janardhan Reddy's head is on the block. While the protest is being orchestrated indirectly by former chief ministers M. Chenna Reddy and Nadendla Bhaskara Rao through dinner meetings, a vocal opponent and open contender for the top job is Dr Y.S. Rajasekhara Reddy, the Congress(I)'s Rayalaseema strongman.

The dissidents are gathering support to pressurise party chief and Prime Minister P.V. Narasimha Rao to replace Reddy. Narasimha Rao is however not too keen to yield to pressure because it was the frequent changes of chief ministers in the state that brought N.T. Rama Rao to power in 1983. He is wary of repeating the mistake, and he conveyed this to the disgruntled sections through his emissary K. Vijayabhaskara Reddy, the Union minister for law and company affairs, who visited Hyderabad recently.

Discontentment seems to have snowballed because of Reddy's failure to distribute the spoils of office through a timely cabinet expansion. When he came into office in December last he started off with a small ministerial team, promising to expand it later. This obviously whetted the ambitions of many legislators. But Reddy then dithered on the issue, unwilling to antagonise partymen whom he would have had to leave out. Thus by the time he went in for the expansion last fortnight, he had ended up worsening matters by making dissidents of them all.

Reddy's major strategic flaw has been his inability to forge a loyalist camp of his own. In his bid to contain factionalism in the party, he has kept away from all the groups with the result that he is left without any loyalists. Most of his colleagues consider him a leader with little clout or stature. Says Dr Rajasekhara Reddy: "He functions like a chief secretary instead of as a politician laying down policy to increase the credibility of the party in power."

Though Reddy has had a temporary reprieve through the belated cabinet expansion and the support of Narasimha Rao, his future hangs by the slenderest of political threads.

—AMARNATH K. MENON

Apportioning Blame

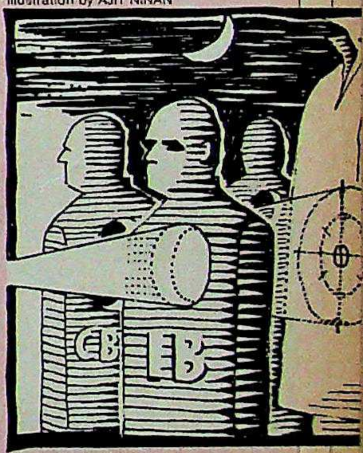
INSIDE EYE BY INDERJIT BADHWAR

RIGHT now, they are only distant rumblings of doubt within the intelligence community. Whispers, really. But they could well snowball into a major controversy as the Commission of Inquiry into what went wrong with Rajiv Gandhi's protection begins its work in earnest. The task of investigating the security lapses—as distinct from the investigation of the special team focusing on solving the crime—has been assigned to Supreme Court Judge J.S. Verma. But there are nagging doubts, based on valid concerns, about the efficacy of a commission that is relying on information from the very people it is supposed to be investigating.

Even though Rajiv was not covered by the Special Protection Group (SPG), which is reserved only for the prime minister, he was nonetheless placed in the "Z" category—the highest danger point—by the special branch of the Intelligence Bureau that is responsible for VVIP security. The physical protection arrangements made for Rajiv and other "Z" category VVIPs emanate from an elaborate networking of security information.

Involved in this process are the IB director; the secretary, RAW; chief of the Joint Intelligence Committee (JIC); the secretary, Security; and the security adviser to the prime minister. All of them ultimately report to the Cabinet Secretariat. These are the men from whom no secret of the security bureaucracy can remain hidden. And these are the men who must squarely face the brunt of any inquiry relating to VVIP security lapses and especially so, in the case of the Rajiv Gandhi assassination.

Illustration by AJIT NINAN



IB chief M.K. Narayanan, for example, was Rajiv's blue-eyed super sleuth who handled LTTE matters and was one of the architects of the SPG protection for Rajiv when he was prime minister. During V.P. Singh's premiership, Narayanan was transferred as head of the JIC where he had equal access to RAW and IB reports regarding the LTTE. Chandra Shekhar restored him as IB director upon Rajiv's request.

The threat perception level to Rajiv was certainly shared by Security Adviser S.N. Mathur, also a former IB director, Security Secretary O.P. Tandon, and JIC chief Mahesh Shankar. No one is casting aspersions yet on their integrity or professionalism.

But the intelligence community is already whispering that these top bosses are the ones now responsible for providing information to the Verma Commission as it goes about its findings. This is, at the very least, a conflict of interest. They certainly cannot be counted on to provide information that may in any way serve to indict their own operations or reflect poorly on the men at the top.

Following Mrs Gandhi's assassination, 17 top intelligence officials, including DIG (Security) Hari Pillai, deputy commissioner D.R. Gupta, assistant commissioner R.M. Sharma and personal security officer N.K. Bhatt, were suspended. What is more, India's top sleuth, security adviser R.N. Kao resigned on "moral grounds", while R.K. Kapur, director IB was reverted to his state cadre. A month after Rajiv's assassination, the Tamil Nadu Government has suspended a DIG and a dozen low-level inspectors and sub-inspectors.

But the men who call the VVIP security shots from Delhi remain unscathed and untouched. This is creating considerable demoralisation among junior officers and other police officials who are suggesting that pending the commission of inquiry, the top brass should be transferred or at least be disqualified from assisting or influencing the commission. And in the weeks ahead, these voices will become louder.

SONIA GANDHI

In Limbo

Amid attention, a low profile

SINCE the assassination of Rajiv Gandhi, Sonia has retreated into the quiet confines of her 10 Janpath home, and has studiously avoided meeting journalists. Last fortnight, Principal Correspondent ZAFAR AGHA *managed to visit her by accompanying a delegation of politicians. A first-person account of how she is coping with her grief.*

IT is the same ornate study at the Gandhi home where the former prime minister used to receive his visitors. But there is a subtle difference this time. Rajiv Gandhi is around no more. Instead, it is a quiet Sonia who meets the visitors thronging her home.

A heavy silence hangs in the room. The tension and unease among the visitors is palpable. Tension, not because of the tedious security hassles they have been subjected to. Tension because they are meeting Sonia for the first time after Rajiv's death. Most of them don't know what to say or how to express their grief.

Her visitors come from all walks of life. A Union minister. Two opposition leaders. A few *burqa*-clad women. A group of Youth Congress(I) members. A bunch of poor villagers, perhaps from Amethi. All waiting for a nod from Vincent George, who is closely monitoring the visitors' list.

At last, we are asked to walk in. And there she is, in a cream coloured sari, sitting elegantly, alone, on the edge of a sofa in Indira Gandhi's style. Despite attempts to appear confident, Sonia looks shattered. She's lost weight and her face looks ashen. But she seems to be slowly coming to terms with the tragic reality.

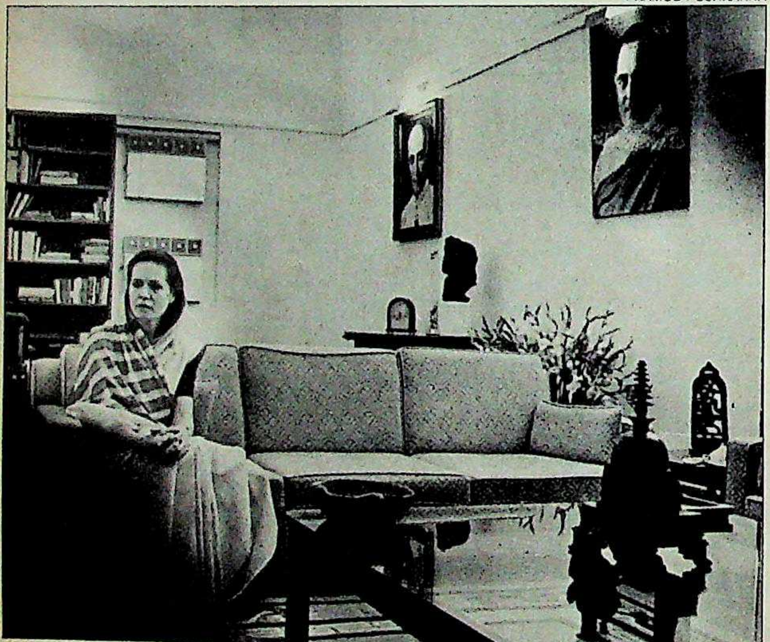
The leader of my group breaks the silence that has descended on the room. "Madam, Rajivji youth *ko bahut encourage karte the. Aap ek bar unke sath hamare sheher bhi ayee theen.*" (Rajivji always encouraged the youth. You had once even visited our city along with him). At this she livens up, enquiring, "*kahan*" (where)? When told about the place, she lapses into thought, perhaps reliving the memories of her tour with her husband.

The conversation drifts. An indirect suggestion is made that she join politics. "*Samay-samay par aap hum logon ko guide karti rahen.*" (You must continue to guide us from time to time.) Sonia looks away, disinterested.

The meeting, lasting a brief five minutes, is over. As we step out of the study, Sonia is the picture of Gandhi dignity, a faint half-smile on her lips.

Outside, I try to reason if she is merely trying to get her act together; whether these meetings are in fact a prelude to her entering Parliament via Amethi. The impression that lingers, however, is that of controlled emotions and quiet grief. Not of grasping ambition waiting to be fulfilled.

PRAMOD PUSHKARNA



Sonia: dignity in despair

CAUVERY WATERS

River Rift

Karnataka opposes verdict

WHEN it comes to sharing the Cauvery waters with neighbouring Tamil Nadu, Karnataka legislators don't believe in yielding even one cubic metre. Last fortnight, MLAs of all political hues in the state buried their differences to denounce the interim order of the Cauvery Water Dispute Tribunal (CWDT). The three-member tribunal, headed by Justice Chittatosh Mukherji, directed Karnataka to release 205 thousand million cubic (TMC) feet of water to Tamil Nadu and limit its irrigation in the Cauvery basin to 11.2 lakh acres.

An incensed Karnataka Chief Minister, S. Bangarappa, convened both houses of the legislature on a Sunday and asked the Centre to reject the CWDT order and put a stop to its functioning. Declared Bangarappa: "The interim order is clearly beyond the jurisdiction of the tribunal and is far removed from all legal, practical and actual realities."

The Tamil Nadu Government is equally vehement in backing the CWDT fiat. It has demanded that the Centre intervene to ensure Karnataka honours the directive and, if necessary, notify it in the gazette to give it legal sanctity.

Tamil Nadu's position is indeed rather precarious. Its only major river, the Cauvery, feeds the Thanjavur delta and accounts for 85 per cent of the canal-irrigated area in the state. The impounding of the river flow, which began in the mid-'70s in Karnataka, has virtually deprived farmers in the delta of the mid-year Kurruvai crop. Worse, the Mettur reservoir, which is normally opened for irrigation on June 12, could not be opened this year due to poor storage.

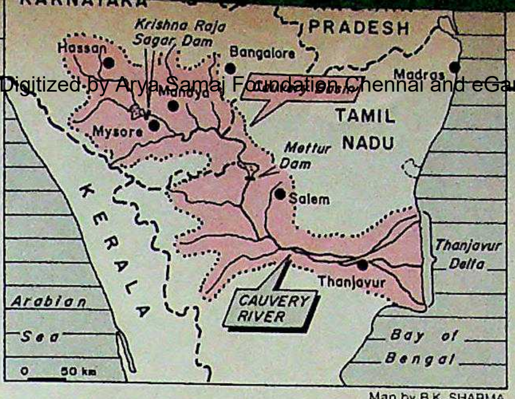
According to the CWDT order, Karnataka is to release water from its reservoirs on a weekly basis to Tamil Nadu at Mettur, and the year's supply is to be 205 TMC ft. But, Dr N.P. Patil, director of the Indian Institute of Socio-economic Studies in Bangalore, says the CWDT has not placed any limit on the area to be irrigated in Tamil Nadu, unlike on Karnataka. Observes Patil: "If Tamil Nadu uses water judiciously, the area under crops can be doubled."

Both states have launched a series of agitations to press their case with the Centre. Karnataka protestors held their first rally on July 21 in Mysore and the Government is planning an all-party conference in the basin areas of Kodagu, Mandya, Mysore and Hassan. It may also consider closing the crest gates of the Krishna Raja Sagar Dam to stop water flow downriver. And security has been beefed up at the reservoirs fearing bomb blasts. In an unprecedented move, both state governments have announced protest bandhs. They are, meanwhile, also consulting lawyers in order to protect their interests.

Politically, Tamil Nadu Chief Minister Jayalalitha stands on a stronger wicket. With the AIADMK providing vital support to the minority Narasimha Rao Government, she is counting on the Centre to back her case. "The only way to resolve inter state water disputes is for the Central Government to take charge of all river flows in the country," says Jayalalitha. She has refused to enter into a dialogue with Karnataka until it upholds the CWDT interim order, saying the award of 205 TMC ft is reasonable.

That leaves the Centre with little choice. Even as it tries to bring the warring sides to the negotiating table, it will, for a start, have to ensure Karnataka releases enough water to save the current crop in Tamil Nadu. For, a serious shortfall in the state's food basket can give a bellyache to the Centre too.

—AMARNATH K. MENON



Map by B.K. SHARMA

With Karnataka rejecting the order and Tamil Nadu insisting it be honoured, the Centre is caught in a bind.

BOTTOMLINE BY D. BUNKER

Coterie Watch

THE meetings of the CWC had lapsed into a predictable haze but with a new Government, a new fizz is in evidence. Naturally, the frequency with which the Coterie Watchers Club (CWC) meet to compare notebooks has also become pretty high. Here's how their latest get-together at the Press Club bar progressed.

First CWC member: It's confirmed. You will be reading my latest scoop in tomorrow's edition. The coterie is definitely in. I have it straight from the horse's mouth.

Second CWC member: You mean 10, Janpath?

First CWC member: No. The IIT farmhouse.

Third CWC member: IIT farmhouse?

First CWC member: You're obviously not taking coterie-watching seriously enough. IIT stands for Imported Italian Tiles, that's how it's referred to locally. Anyway, I was talking to Satish and he confirmed that the coterie is in.

Fourth CWC member: That's rum.

Barman: That's what you ordered.

Fourth CWC member: I mean that's strange. I called RKD yesterday and they said he was out.

Second CWC member: This coterie-watching is not for amateurs. Wait till you read my scoop tomorrow. I've got the real inside story. The coterie is really in. Ghulam Nabi personally told me that a few more appointments are expected to be made which will confirm my story.

First CWC member: Actually, I've already written that story and since I have the second most important job in the country, my version is more credible.

IB (Innocent Barstander): Who's got the most important job?

First CWC member: That is not important. What's important is that the coterie has confirmed that they were behind the appointment of two OSD's in DSO, the reshuffle of three SOBs and the reappointment of four ST's in STC.

IB: ST's?

First CWC member: Steno-typists. They have the third most important job in the country.

Second CWC member: Obviously my scoop is bigger than yours. I've also mentioned the three peons appointed in DESU, two sweepers in NDMC and four bus drivers in DTC.

Third CWC member: By George! That's clout for you.

Fourth CWC member: Actually, George is keeping a low profile but he also confirms the coterie is in.

IB: This is hot stuff. I've been reading that the coterie is out in the cold but you chaps seem to have the real dope.

Fifth CWC member *(staggering in):* Shorry I'm late for the CWC meeting chaps but I was (hic) busy getting the mother of all scoops. The coterie isn't out, it's (hic) in. I'm coming shtraight from the horshe's mouth...

IB: I'm not surprised. You people talk about scoops like this is Nirula's ice-cream parlour. How do you know the coterie is in? You only have their word for it.

CM (coterie member): Are you the CWC members? I have a scoop for you chaps. The coterie is in. You can take it from the horses' mouth.

Third CWC member: Who are you?

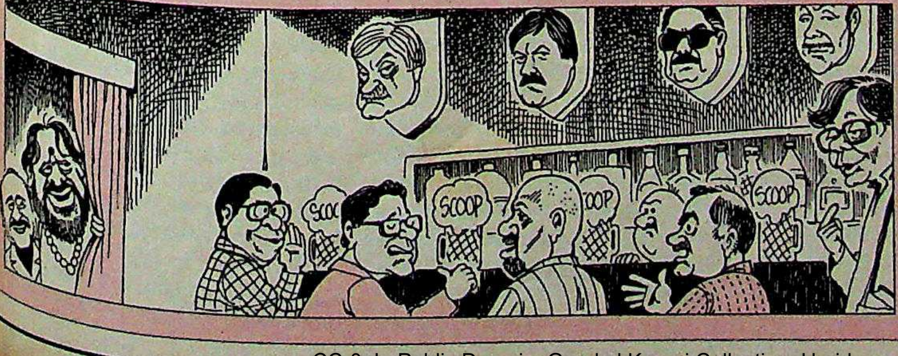
CM: I'm a member of the real coterie. Who do you think managed all those appointments in DESU and DTC?

Fifth CWC member: The real coterie? My god, what a scoop. Who are the coterie members?

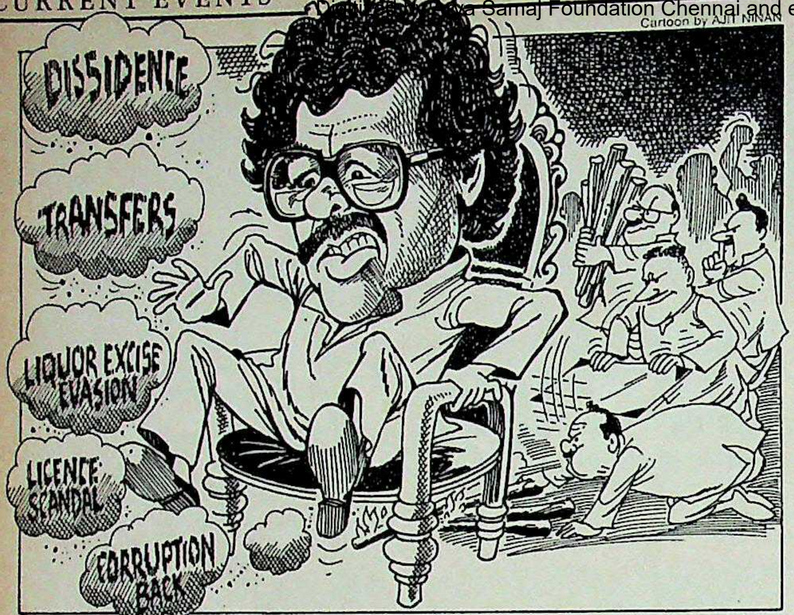
CM: Chandra Swami, Mamaji and Adnan Khashoggi, but don't quote me.

CWC members (rushing for the door): Not a chance. Nobody would believe us if we did.

Cartoon by AJIT NINAN



Cartoon by AJIT NINAN



KARNATAKA

Storm Signals

Party MPs fire first salvo

WITH the Congress(I) in Karnataka having 179 members in the 223-strong Legislative Assembly, Chief Minister S. Bangarappa should be sitting pretty, right? Quite wrong.

Last fortnight, Bangarappa's fledgling ministry came in for some scorching criticism from the most unexpected of quarters: 18 senior Congress(I) MPs from the state. In a signed memorandum to Prime Minister P.V. Narasimha Rao, the MPs stated that several of Bangarappa's ministerial colleagues and Congress(I) MLAs were corrupt and "had spoilt the image of the party in Karnataka". They wanted him to drop such ministers and not to induct MLAs with sullied reputations.

Instability in Karnataka was the last thing the harassed prime minister wanted. In a bid to defuse the situation, Narasimha Rao announced that Meira Kumar, an AICC(I) general secretary, would inquire into the charges levelled by the MPs. And G. Devaraya Naik, the convener of the Karnataka MPs, hastened to clarify that, "we are not against the chief minister and we support his leadership in the state".

While Bangarappa faces no immediate threat of removal, the missive fired by the MPs is a warning flare that the wily chief minister needs to heed. In just nine months of his rule, his ministry faces a volley of charges. Among them:

- ▶ Manipulating the auctioning of arrack to benefit the powerful liquor lobby. And turning a blind eye to excise evasion by some of the distillers.
- ▶ Bypassing a high court stay and granting over 200 licences to quarry granite within a day.
- ▶ Mass scale transfers of government officials.
- ▶ The return of IAS officers, who faced corruption charges in earlier ministries, to key posts.

Bangarappa claims there is "no dissidence in the party". But since he took over last October, there has been simmering discontent in the party and only the Lok Sabha elections kept it under check. Bangarappa recently annoyed the state MPs when he persuaded Narasimha Rao to induct two novices, D.K. Taradevi and S.B. Nyamagaudar, as Union deputy ministers bypassing far senior colleagues. And with Bangarappa announcing his intention to expand his ministry soon the MPs feared that their supporters would be left in the cold.

While the MPs are using the memorandum to pressurise Bangarappa to induct some of their nominees, the chief minister faces dissidence in the state as well. Former chief minister Veerendra Patil's group of about 50 MLAs is keen to see Bangarappa's back. And the evergreen Veerappa Moily, the state education minister and Bangarappa's main rival, has been actively trying to garner support for himself. But by distributing a few plum ministerial berths to his detractors, Bangarappa may be able to turn the heat off. But only temporarily.

—B.V. UMA in Bangalore

BIHAR

War of Wages

Trouble over double salaries

LALOO Prasad Yadav's armour is losing its sheen. When Minister of State for Higher Education Nawal Kishore Sahi opened the can of worms on double salaries drawn by teachers-turned-legislators, he thought his crusading chief minister would be behind him.

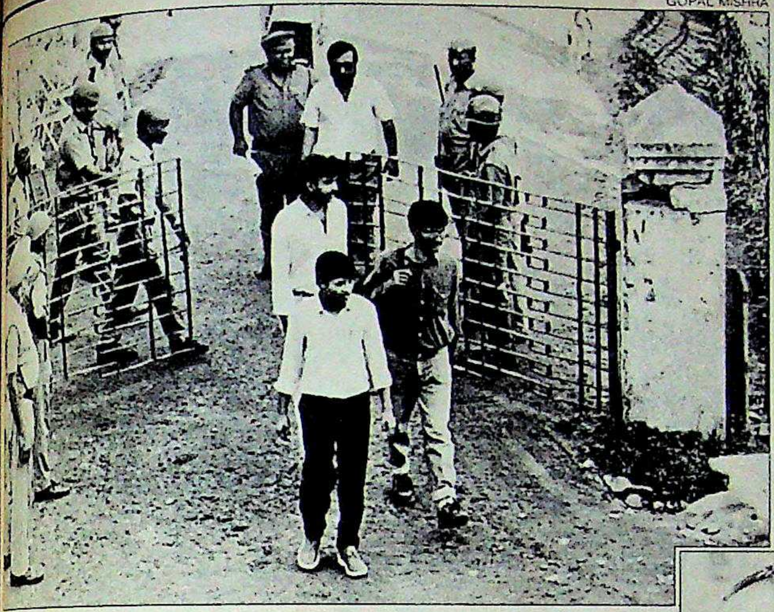
Yadav was, but only to pull him down. Weighed down by his political compulsions, the chief minister instead of backing Sahi, defended the long-standing practice in the Assembly, leaving Sahi with no option but to quit.

Sahi has vowed to battle on. But it will be tough. As many as 63 legislators—both past and present—have been found to have so benefited. Over the past nine years, the legislators have apparently made over Rs 5 crore as salary from almost-broke universities, and Rs 15 crore from the legislature. Among the beneficiaries are Legislative Council Chairman Umeshwar Prasad Verma; ministers Diwakar Prasad Singh, Sitaram Singh; and former chief minister Jagannath Mishra.

Curiously, the state law does not disallow the practice. In 1976, Jagannath Mishra did promulgate an ordinance, sending all teacher-legislators on leave during the assembly session. When that didn't work, in 1982 Mishra initiated amendments to the Patna University Act, 1976, and the Bihar State Universities Act, 1976. They ensured employees would be considered to be on leave without pay once they were elected to Parliament or the state legislature. The amendments were challenged in the Supreme Court, which rejected the pleas. But in a dubious move in 1985 the state ignored the ruling, asking universities to pay the teacher-legislators.

Yadav, riding the horns of a dilemma, has taken the path of less resistance. Had he declared the practice illegal, he would have had to confront powerful legislators—with his party in a minority in the Assembly this could have been disastrous. As it is, Sahi has been a bit of a thorn in Yadav's flesh. In April this year the two had a run-in over the re-naming of Bihar University.

Sahi may be out, but clearly the legislator-teacher salary saga has a few more pages to turn. —FARZAND AHMED



GOPAL MISHRA

ULFA activists being released (left); and Saikia: loss of face

ASSAM

Move Misfires

ULFA spurns amnesty offer

WHEN Assam Chief Minister Hiteswar Saikia offered general amnesty to all ULFA prisoners, he thought he held the trump card in his hands. But his desperate gamble floundered as the outlawed ULFA preferred to play its cards on its own terms. While the Government released 404 ULFA prisoners and cleared the decks for the release of another 111, the militant group showed no haste in letting go of hostages held by it. Of the 14 government and ONGC officials abducted on July 1, it continued to hold eight of them captive.

Saikia was caught with his back to the wall. And as an obdurate ULFA threatened to kill two hostages—T.S. Raju and Kishan Pal of the ONGC—if the Government failed to release all ULFA activists by July 26, the chief minister was once again veering around to a hardline approach. With ULFA spurning his offer for a political solution, Saikia reneged on his general amnesty offer and sent out instructions that unless ULFA released all the hostages, the administration would not release any more ULFA detenus. Apparently, the Government intends to keep about 184 hardcore ULFA militants in its custody until the group relents.

But this does not seem to have had a chastening effect on ULFA. In retaliation, the militant group has gone on the offensive again. There has been a spate of kidnappings and extortions, including the abduction of two Congress(I) workers, Nakul Das and Yusuf Ali from Nalbari. A Jorhat hotelier's son was also kidnapped. A Guwahati-based businessman, R. Agarwal, narrowly escaped after being fired at by criminals. Aside from that three bodies were recovered from a grave in Kashimpur village. The group's determination was amply evident when Paresh Barua, the ULFA commander-in-chief, reiterated that the struggle for a "sovereign" Assam would carry on.

Alongside, the group is also doing its utmost to recoup its image that took a severe beating after the killing of the Soviet engineer Sergei Grischenko while in captivity. It is, once again, organising 'people's courts' as part of its so-called social reform measures. Two persons were executed in Jorhat recently on charges of trafficking girls. And two more were punished for peddling pornographic movies.

As a part of his tougher measures Saikia is weeding out all ULFA sympathisers from key positions in the police. Almost all SPs in the Brahmaputra valley have been transferred and all officers in charge of the police stations in Guwahati changed.

However, the chief minister can go only so far and no further. He cannot afford a fresh army crack-down since ULFA would inevitably gain public sympathy from it, particularly because of the local population's disenchantment with Operation Bajrang which folded up last month. Also, the reinduction of the army at this point would only result in the loss of any goodwill he may have earned.

Trapped in a no-win situation Saikia is chalking out other plans to deal with the rapidly deteriorating law and order situation. The Assam Government has drawn up a contingency plan which—though a closely-guarded secret as of now—envisages the reinduction of the army in certain pockets. Under the new scheme, district magistrates are empowered to call out army columns to aid the civil administration.

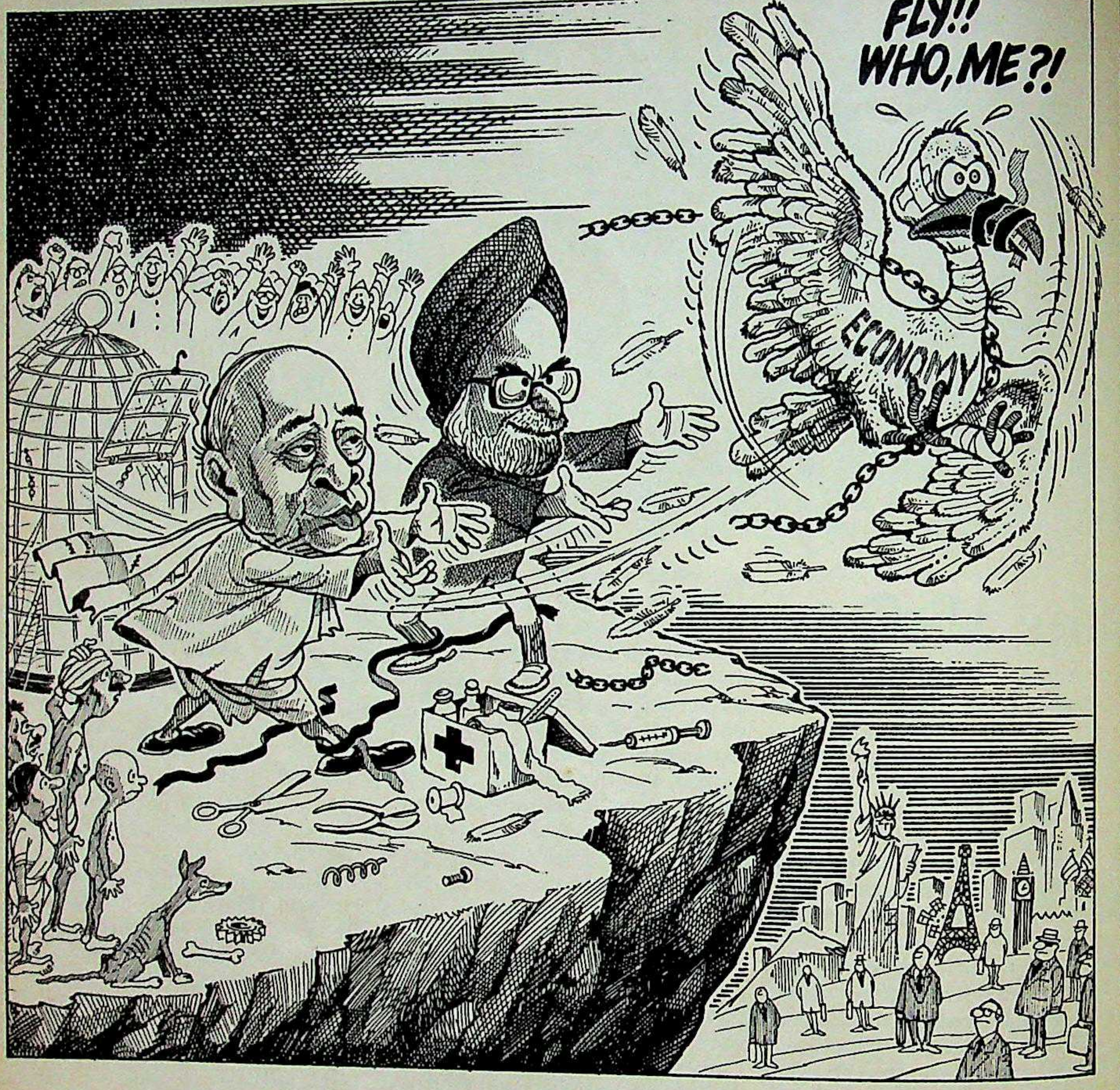
Not that ULFA is in a mood to capitulate. With Saikia proving to be a hard bargainer on secession—the militant group's primary objective—ULFA is determined not to yield even an inch. Moreover, the chief minister has already won over a considerable section of the population and many a die-hard ULFA supporter with his amnesty offer. To accept Saikia's terms under such circumstances would only mean a further loss of face for ULFA.

However, Saikia isn't without his share of detractors. Among those who think that the chief minister acted with haste on the amnesty issue is Prakash Singh, the former director-general of police, who quit last fortnight over differences with Saikia. Said he: "The amnesty is a humiliating sell-out." He isn't the only one. There were others who also felt that the unilateral surrender by the Government would in effect be a shot in the arm for ULFA.

But Saikia isn't dejected. Especially since he has the Centre backing him to the hilt. Says a top police official: "If there is a strategist in Assam who can tackle the ULFA menace, it is Saikia." That may not be altogether possible, particularly as the chief minister is now saddled with an additional problem—that of the recently-surfaced revolutionary group, the Jatiya Mukti Bahini. The new group came out with a scathing attack on ULFA's terrorist tactics, going as far as threatening to kidnap the relatives of ULFA men if it persisted with its abductions.

Clearly, the signals do not lend much hope for any kind of optimism in the near future.

—RUBEN BANERJEE



SIGN POSTS

Announced: by sculptor Amar Nath Sehgal, his decision to slap a Rs 50-lakh suit on the Government of India for despoiling his mural at Delhi's Vigyan Bhavan. This is after 11 years of trying to have the 140 ft by 40 ft mural—lying in a godown since 1979—returned.

◆

Claimed: by the CPI(M) mouthpiece *Ganashakti* that Jyoti Basu would be "officially invited" to address a special session of the US Congress. But Washington had no knowledge of it.

Died: Sri Chitra Thirunal Balarama Varma, 79, the ex-Maharaja of Travancore, known for throwing open Hindu temples to lower castes in 1936.

◆

Awarded: to scientist G.P Talwar the *Officer de la Legion D'Honneur*, France's highest civilian honour. The founder-director of the National Institute of Immunology, who is known for creating the birth control vaccine, is the second Indian to receive the honour after Satyajit Ray.

Conferred: the Magsaysay Award for journalism, literature and creative communication arts on Karnataka dramatist K.V. Subbanna, 59—bringing with it a gold medal and a cash prize of $30,000 for the founder of the Ninasam Theatre Institute of Karnataka.

◆

Launched: Rajiv Gandhi Ideologies Research and Implementation Centre which will present awards in Rajiv's memory for Best MP, Best MLA, Best Civil Servant and Best Pilot.

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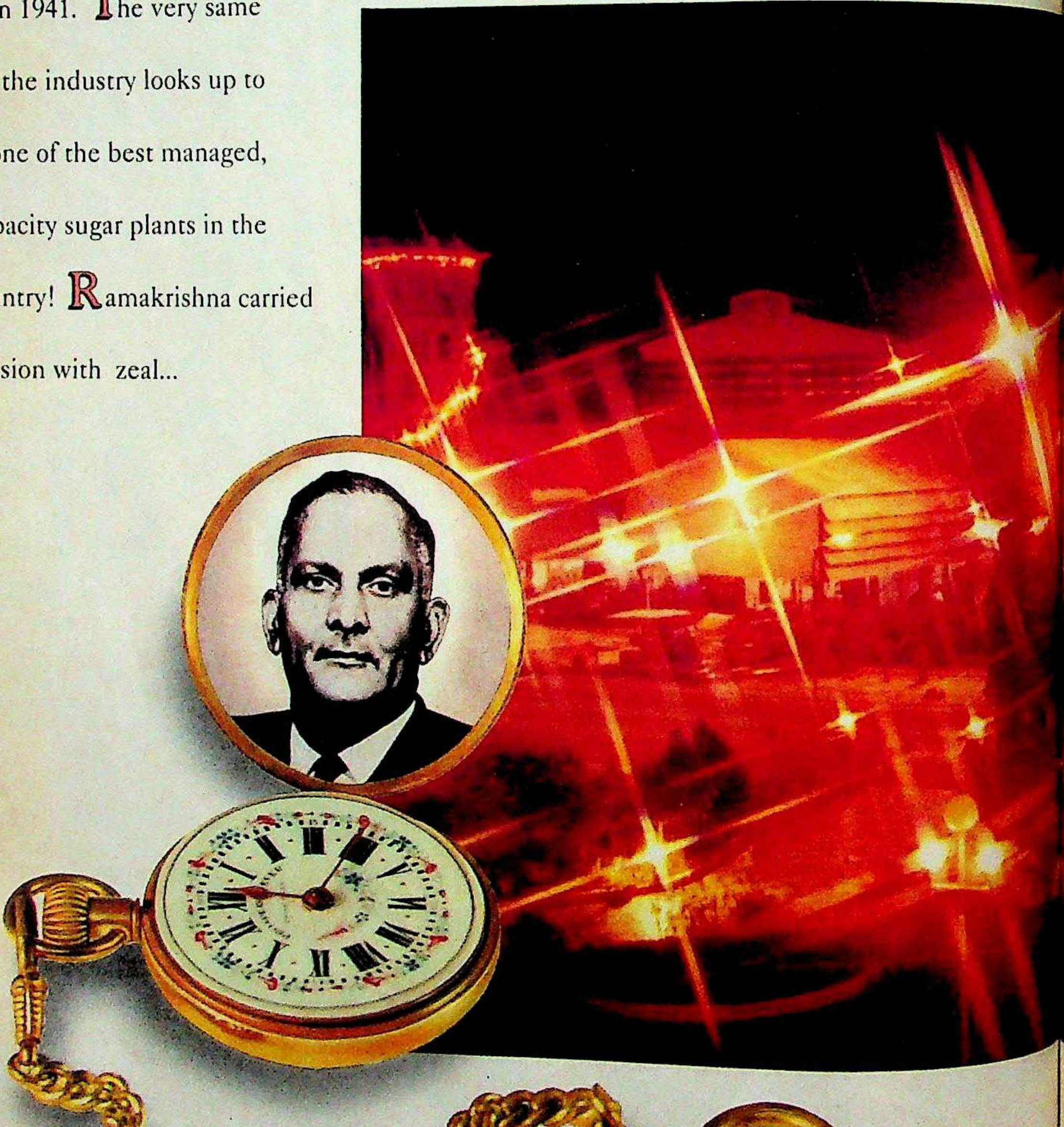

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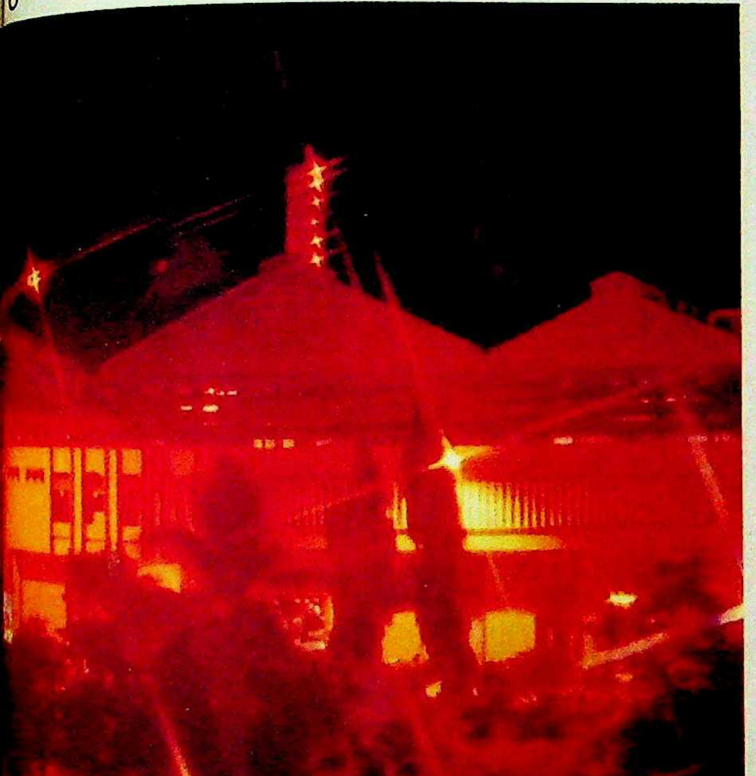

KCP's sugar plant at Vuyyuru. A triumph of technology that was the forerunner to other successes in sugar, cement and heavy industrial equipment.

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KERALA

The Call of Kuwait

Despite fears of official restrictions on foreign workers, prospects seem bright for Malayalees returning to the war-ravaged country.

By RAMESH MENON in Kerala

WHEN Kuwait sneezes, Kerala catches a cold. With the oil-rich sheikhdom on the road to recovery, the most visible signs are available in Kerala. At tea-stalls and street-corners, the conversation centres on the war-torn country's reconstruction. Every scrap of information from compatriots who have returned is devoured, with dog-eared letters being circulated as proof. After a year of gloom, the Malayalee is smiling again.

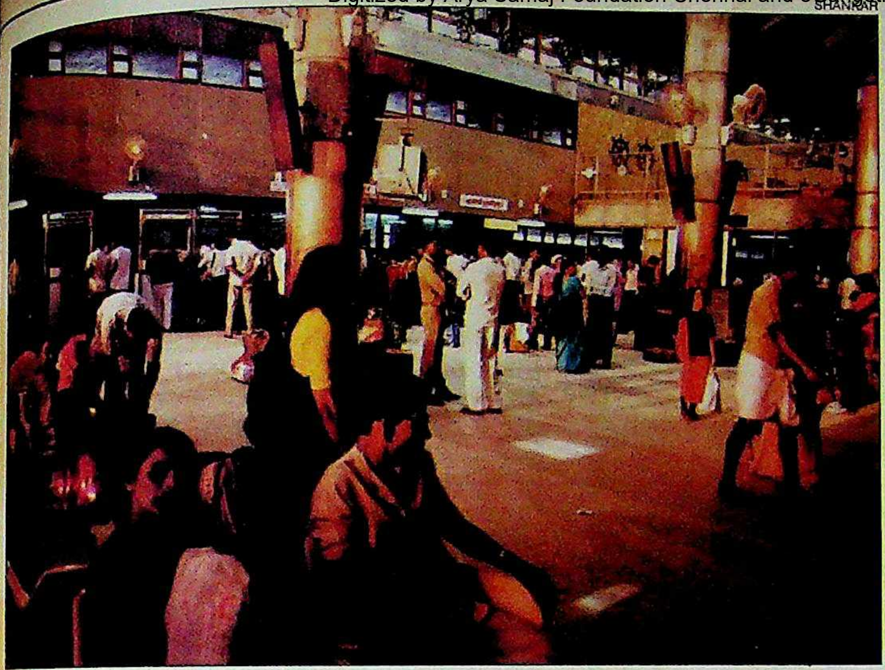
Over a lakh of Malayalees who had fled from the war expecting never to return, are already counting the dinars on the horizon. Flights to the Gulf are packed, fax machines are busy transmitting passport details and telephone bills are piling up. Sponsors in Kuwait are asking the Gulf Malayalees to return—over 6,500 of them have done so already. Almost all of the 5,000 nurses who had fled in a panic will be joining them soon.

Many more should follow, hoping to swell the Indian population there to the pre-war figure of 1.70 lakh. Despite earlier fears that the Kuwaiti Government would restrict the immigrant workforce, the prospects seem bright. State Labour Commissioner M.P. Joseph says Kuwaiti companies are currently involved in building up a data base of employees so they can be recalled as soon as work gets off the ground. C. George, managing director of a firm dealing with construction material in Kuwait, Bahrain and Dubai, speaks of desperate requests for clerks, labourers, mechanics, electricians, carpenters, painters, cooks and masons. Says he: "Where else can they get such a workforce at these wages?" Verghese George, managing director of another Kuwait-based construction company, says he has been putting through daily calls to Trivandrum, asking for hands.

All this adds up to prospects of another Gulf boom. Abraham George, a travel agency consultant, flew into Kuwait with seven others last fortnight. His mood was upbeat: "Kuwaitis trust

Lakhs of Malayalees who fled Kuwait, never dreaming that they would return, are already counting the dinars on the horizon.

HEMANT PITHWA



SHANKAR

Gulf-bound passengers at Trivandrum

Malayalees the most. Their enterprise will once again help them get jobs." Jacob Thomas, who worked for 14 years in an office equipment company, has been recalled. His wife, Sheela, who works in a bank, has been asked to wait. Koshy Mammen's wife, Susan, who works in a shipping company, has been called back to Kuwait. Her engineer husband is waiting for former employers, Kuwait Airways, to operate at full throttle. The two will be happy enough if they can get their settlements—a feeling shared by a lot of their contemporaries.

SOME, like Rajan Mathalinkal, cannot sit out the wait. He flew to Abu Dhabi recently to explore job options. For him, like many others, just about anything is better than the past year of nervous nail-biting. Even though there was a glut of remittances immediately after the war, spending fell, construction activity ground to a virtual halt and housing plans were shelved. As Malayalees scrambled to salvage their hard-won fortunes, there was little need to convince the neighbours of exactly how much money had been made—garish houses, in which more than Rs 10 lakh were routinely sunk, got the go-by. As one hardware merchant in Earaviperoor put it: "Gulf-based Malayalees have realised they do not need such sprawling houses with four bathrooms." Malayalees no longer spent more than 90 per cent of their income on windows and walls.

But big buying is back in fashion. In the small but wealthy towns of Tiruvalla, Kumbanad, Kozhencherry, Chengannur, Varkala, and Chavakad, the hustle is evident. Much more relaxed, the residents are shopping more often, eating out more frequently, going out for long drives and generally learning to live it up again. Jewellery shop-owner George Thomas echoes the sentiment: "I had never seen such a collapse of business before. I thought that we were finished for good. But Malayalees are buying jewellery again." For Tiruvalla textile shop-owner Raju, happy days are here again: "We are so relieved. As Kuwait opened up, business recovered. We will soon be back to pre-war days again."

Add to this the recent devaluation and clearly the state's economy can breathe once again. The state has for long relied on the annual Gulf remittances of over Rs 1,000 crore. The rise in the value of the Kuwaiti dinar from Rs 61 to Rs 70 makes the future seem brighter. And when last fortnight, Kuwaiti banks announced that depositors could withdraw up to 4,000 dinars, even those who are not expecting an immediate return were over the top.

The bankers are rolling up their shirt-sleeves for another killing. With good reason: it was the Gulf boom that gave Kerala the highest bank-population ratio in the nation—one for every 9,000—and 75 per cent of accounts in areas like Kumbanad were NRI deposits. A little village like Kozhencherry had as many as 13 banks with over Rs 15 crore in deposits—with almost every house having a resident back in the Gulf. One family in the one-horse town of Varkala had as many as a dozen men working in the Gulf—four of them in Kuwait. Chavakad had a fourth of its population of 40,000 in the Gulf, 1,000 of them in Kuwait, transforming the sleepy

Photographs by RAMESH MENON

Cherian and his wife Saramma earned over Rs 12 lakh a year in Kuwait. They can't wait to return, and still consider that country "ours".

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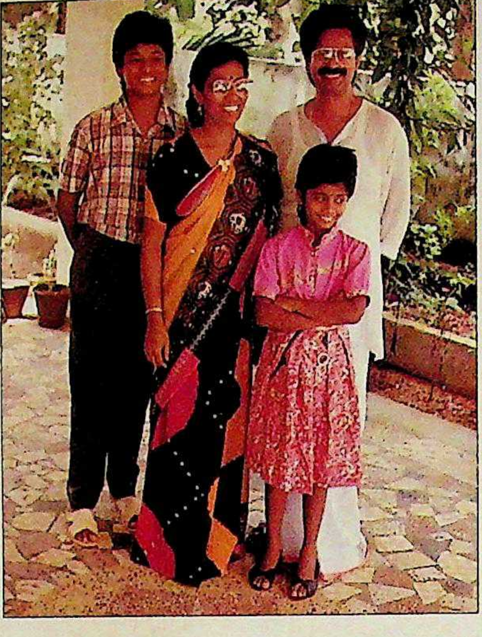
backwater into a booming town.

At a conservative estimate, the foreign exchange inflow from Gulf workers has been around Rs 15,000 crore in the past few years. But two decades of prosperity, apart from causing the inevitable social changes, have also meant wages hitting the ceiling, followed by consumer and real estate prices, fuelled by an extravagant, keeping-up-with-the-Johns' life-style. Agriculture declined and industrialisation lagged behind, but the economy thrived on money-orders.



Although Susan has been recalled, her husband Koshy Mammen is sitting it out, hoping for former employers, Kuwait Airways, to operate at full throttle.

For the state Government, therefore, another boom would be a lifesaver—the unemployment figure has crossed 32 lakh and there are few local avenues. Much newsprint was devoted to the state Government's plan to rope in NRI investment, but not even 1 per cent of those who returned did so. Computer operator Mani Abraham chose to spend his time furnishing his flat rather than invest in an economy bedevilled by labour unrest and an unbending bureaucracy. Electrical engineer K.J. Thomas shared the scepticism: he did not work here because he was confident of being called back. He has been. His wife, Rajamma, is ecstatic: "The family is yearning to go back." Only some of those who returned dabbled in business, starting financial firms, evocatively called 'blade companies', which charge 32 per cent interest.

There are none who don't want to return. Even 60-year-old A.G. Cherian, who worked for over three decades with a Kuwaiti insurance firm, is ready to wing his way back. His dilemma is peculiar, however: insurance companies are a bad risk in Kuwait today. Cherian's wife, Saramma, a doctor at a government clinic, is as enthusiastic. Her gratuity alone will work out to Rs 15 lakh. Together, the couple earned over Rs 12 lakh a year. Little wonder then that for them and others like him, Kuwait is still "ours".

A heaven where money was good, food was cheap, and savings were high. Forgotten is the Indian Government's remarkable repatriation which got more than a lakh of them back against all odds. What remains is their contempt. Something their children have picked up easily. Says 12-year-old Mridul Mathew who grew up there: "I miss the comforts, school and videos." His parents, naturally, are queueing up for visas.

For many, the contempt has a cause. Their sudden return meant they were seen as liabilities rather than mobile bankrolls. It was a bitter lesson. As Geeta Philip, a private secretary, puts it: "When Gulf residents came on holiday, they were respected. But as returnees, they were seen as a burden." For road inspector Thomas Easaw, the crisis helped him see "who our best friends were".

But their expectations from the Government haven't lessened. They hope the administration will cut down on bureaucratic slack, initiate more flights, upgrade Trivandrum airport, and start residential schools for children—otherwise they feel they just might be tripped on the fast track to quick money by workers from Pakistan, Thailand, Korea and the Philippines. But if Kuwait doesn't yield to the intrepid Malayalee, there are other countries which are more willing. Saudi Arabia is a safe bet, with Pakistanis and Yemenis either fleeing or being eased out. Ahmed H. Al-Yahya, Saudi Arabia's deputy minister for labour affairs, has stated that Indians could be replacements for the workers who are leaving.

Clearly, the pot of gold at the end of the Gulf rainbow is shining brighter than ever before.

While Jacob Thomas, who worked for 14 years in an office equipment company, has been recalled, his wife Sheela Jacob is awaiting a call from her bank.

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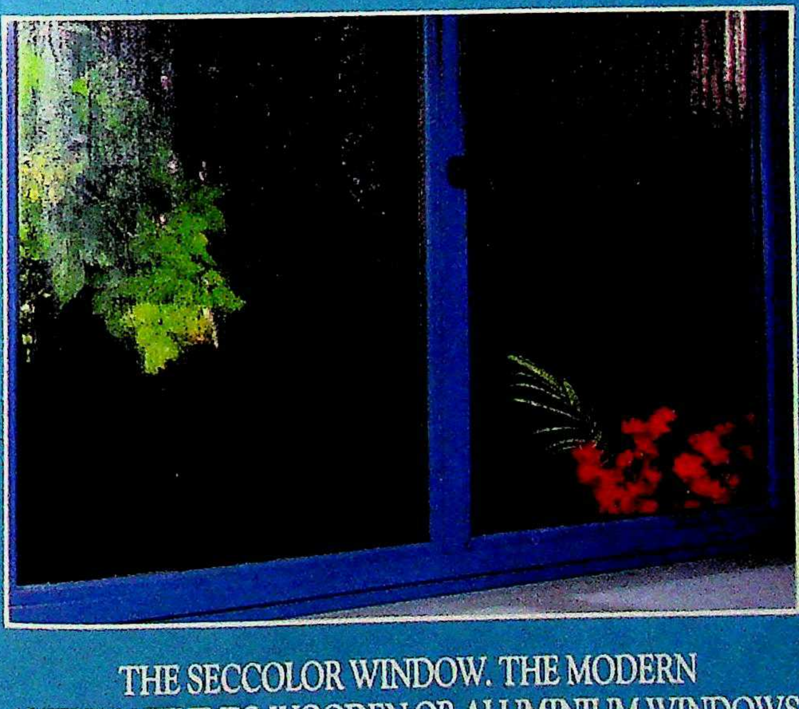

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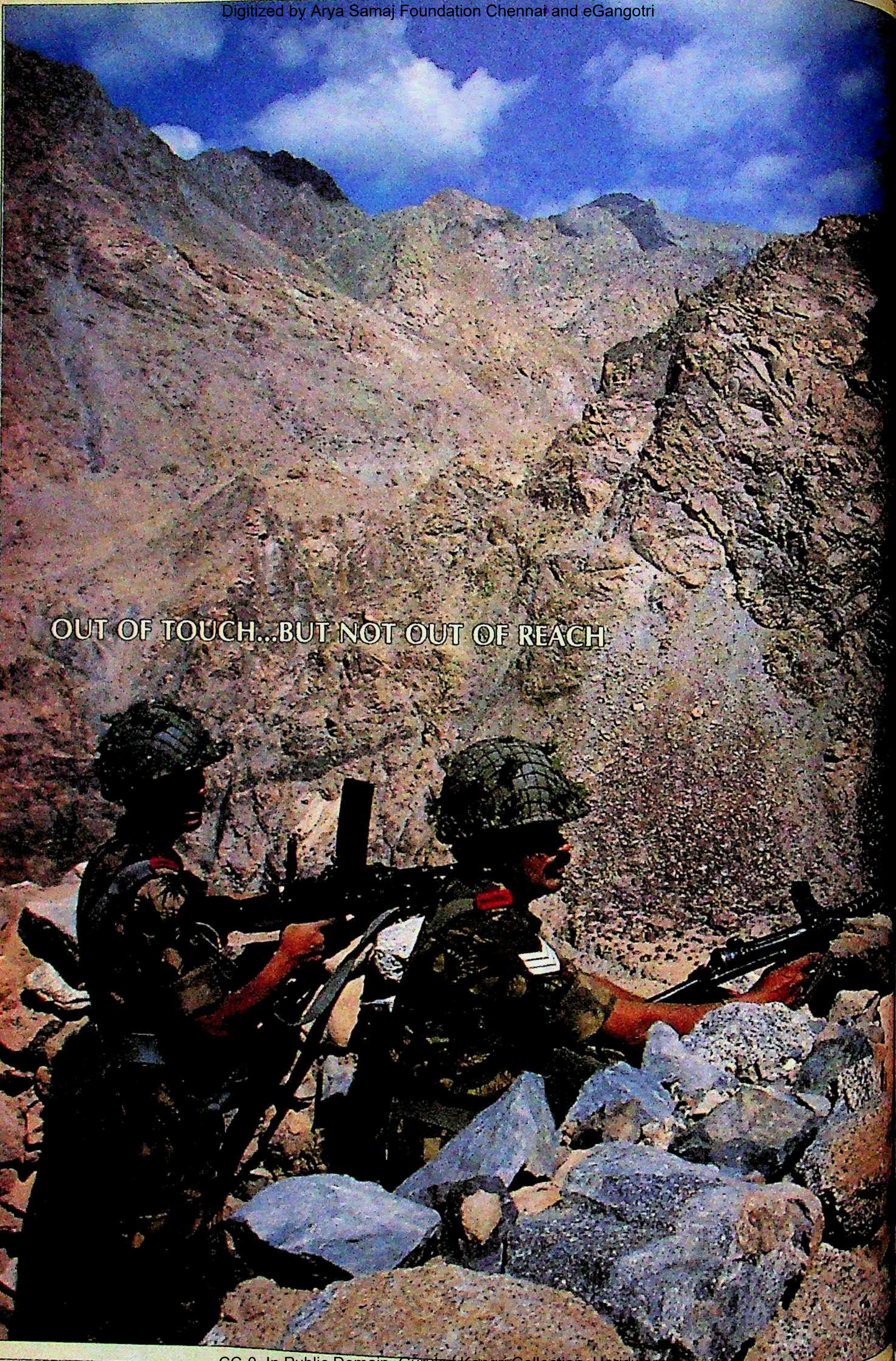

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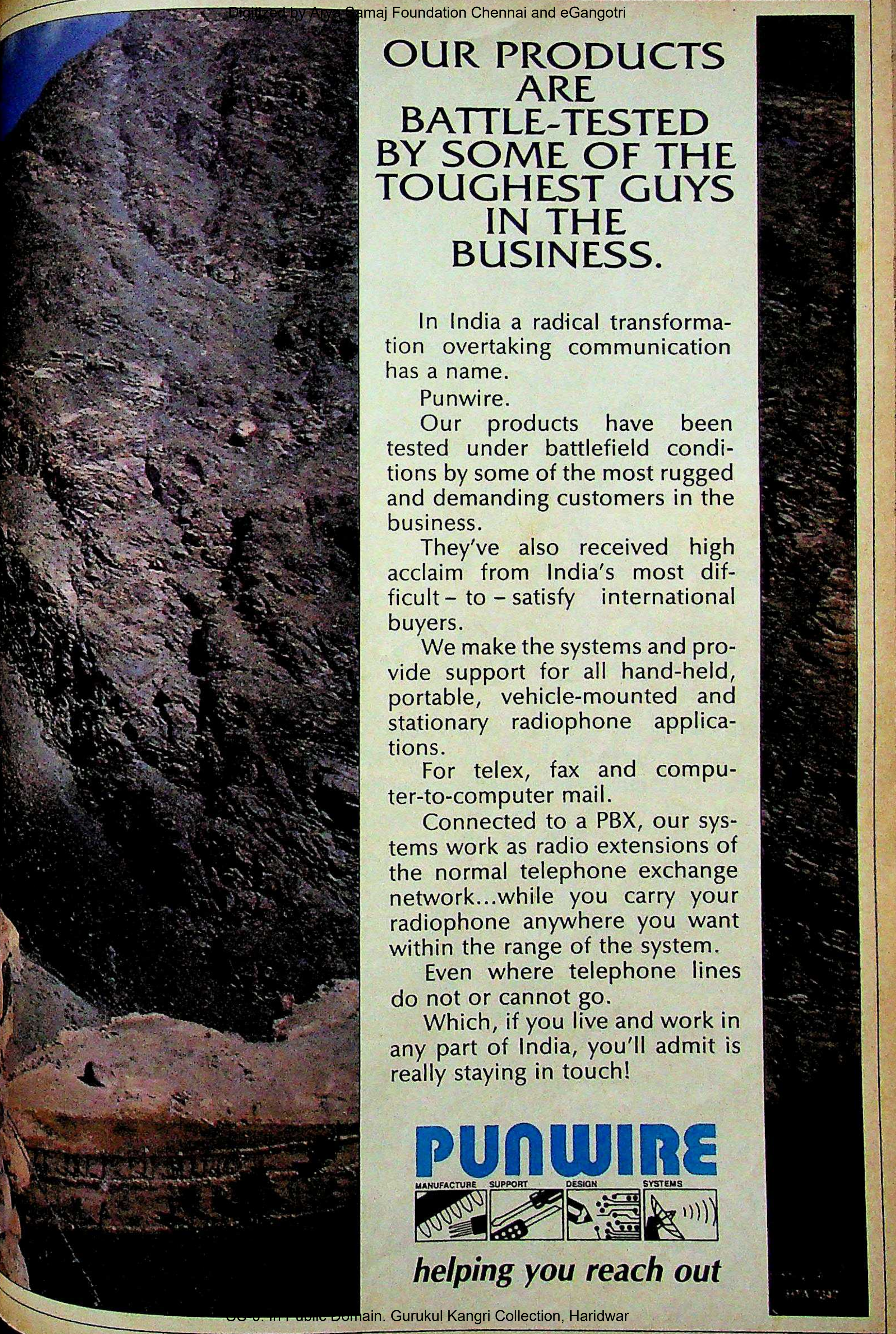

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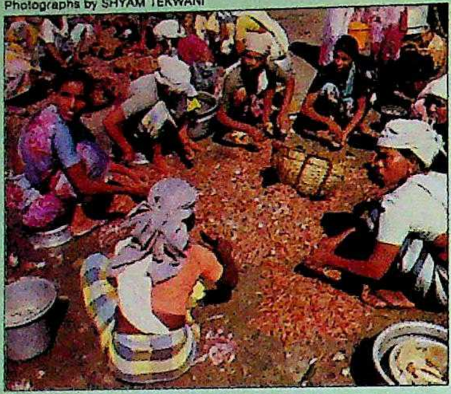
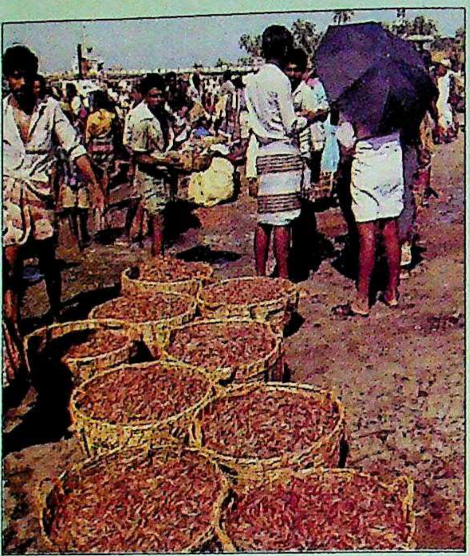




Indian marine product exports have grown over the past five years in both quantity and...

MARINE PRODUCTS

Cashing in on the Catch

With exporters pumping in big money, state of the art technology and aggressive marketing, the seafood business is looking to become a major foreign exchange earner.

By ANAND VISWANATHAN and GODFREY PEREIRA

ABOUT five years ago, bagging an order for seafood exports was simple enough: lavishly entertain foreign buyers at five-star hotels. Ply them with food, drink and gifts, pay for their transport and pick up the hotel tab. For instance, at the luxurious Malabar Hotel in Cochin, local exporters used to queue up outside suites occupied by Japanese buyers, and try and outdo one another in the hospitality game. Says R. Balachandran, deputy chief executive of the Choice Group, a Cochin-based Rs 50-crore seafood exports unit: "The best host bagged the order."

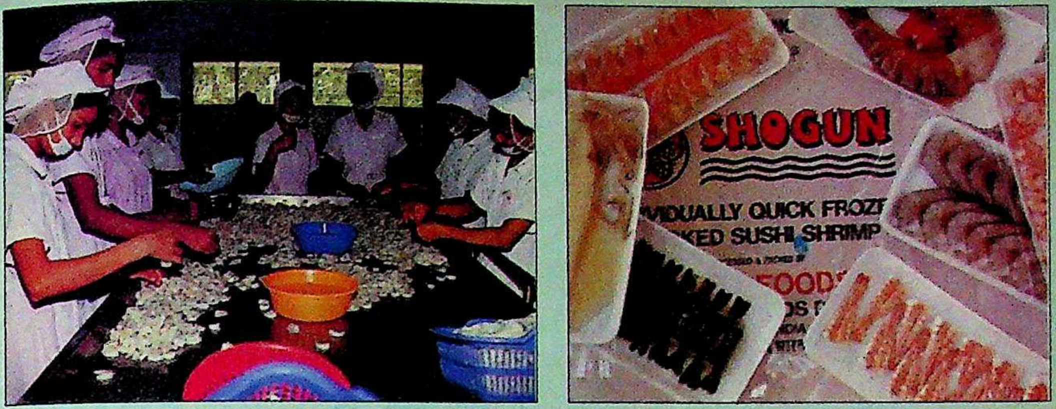
The practice has changed, and so has the seafood business. Exporters still queue up to woo buyers but now, a deal has more to do with the best technology, quality, marketing ability and foresight rather than how much one pays out for someone else's pleasure.

For starters, it isn't the seafood business any longer, it's now called the marine products business. Catfish, a hot new export item to the US, is a fresh water fish. And often, seafood has nothing much to do with the sea except salt water—there is now an ever increasing trend to go in for aquaculture, or breeding shrimp, for instance, in inland hatcheries near the coast.

There is more. From freezing between two and four kilo loads of seafood together, which was inefficient and time-consuming, each piece now goes through a rapid conveyer system, and is flash-frozen, cutting the processing time from up to three hours down to 15 minutes. From letting the foreign buyer package the product at his end, technology has improved enough for Indian exporters to churn out stuff that goes straight to supermarket shelves—even in Japan, arguably the world's most fussy market. From looking at Japan and South East Asian countries as markets, India's marine exports tribe is now trying to make headway in the US and Europe. Earlier, Japan accounted for almost 90 per cent of India's exports, but now it's down to 55 per cent, with 30 per cent going to Europe and 10 per cent to the US. "With the European market opening up," says Mathew Baby John, who runs King Fisheries, a Quilon-based Rs 15-crore company, "Indian marine product exports have a bright future."

Figures help tell the story. In 1985-86, India earned Rs 398 crore in foreign exchange from seafood exports. For the 1990-91 financial year, the sum has more than doubled to Rs 877.55 crore. Says C.T. Sukumaran, chairman of the Marine Products Export Development Agency (MPEDA): "Value-addition along with diversification of products and markets is responsible for this phenomenal growth." And the export figures could treble in the next three years.

The potential of the business is so appealing that it has even led big names—traditionally, marine products have been the preserve of small-timers—in India's corporate world to go in for the business. For example, the L.M. Thapar group. It floated Thapar Water Base Limited two years ago, which is setting up Asia's largest shrimp farm on a 110-hectare plot near Nellore in Andhra Pradesh. The company expects its first harvest by the year-end and the first shipment by early 1992. And by mid-1992, Thapar Water Base plans to export prawn curries, shrimp kababs and other ready-to-eat offerings to Europe. "We may be late-comers to the

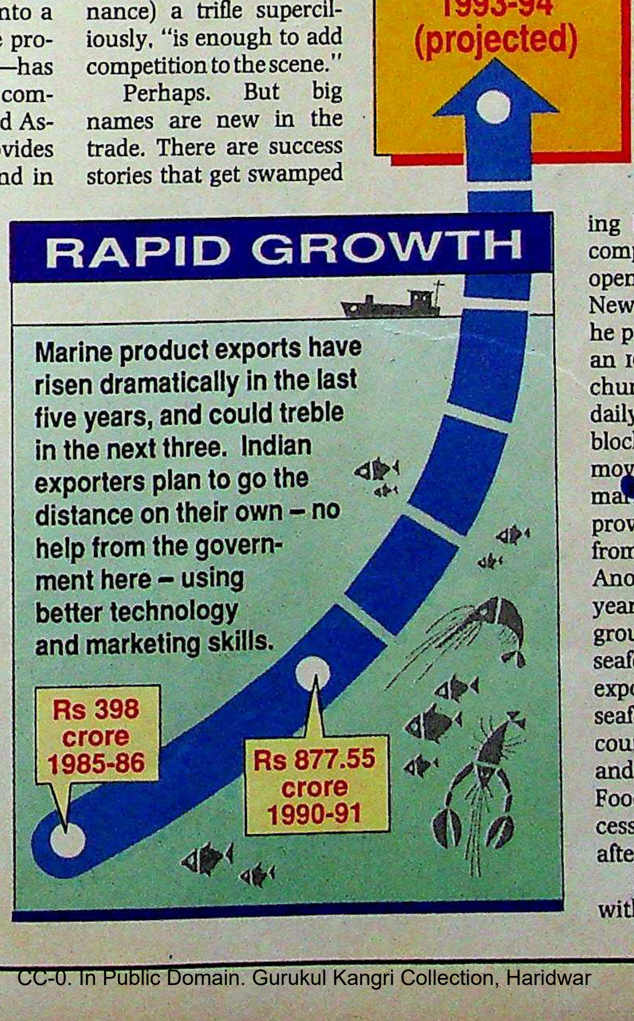


...quality. Improved technology now ensures that shrimps, for example, go directly to supermarket shelves in Japan, perhaps the most fussy market in the world. Three years ago, Indian exporters would never have dreamt it.

industry," says Manoj Nakra, who heads Thapar Water Base, "but we have arrived." Hindustan Lever Limited (HLL) had arrived on the scene in 1977, but has only recently pushed for a big break in aquaculture to tie in with its export effort. The company has four factories which process shrimp for export to Japan, but the scope of tapping into a massive world market for marine product exports—$35 billion a year—has led it to a tie-up with a US-based company, Florida Fish Distributors and Associates. The US company provides technology for catfish farming and in return, buys HLL's entire stock. The company has already invested Rs 12 crore in the new project, a 100-hectare catfish farm in Tamil Nadu's Tanjore district, and anticipates an output worth Rs 20 crore by 1993.

Tata Exports Limited's general trading division—which typically buys finished products from marine foods processors before exporting it—wants to go into aquaculture to boost its export figures which are presently at Rs 7.5 crore. Voltas Limited, another Tata group company which acts as an export house, is planning to invest heavily in Individual Quick Frozen Forms, or IQF machines—a technology that is one up on block freezing techniques—so that it can process marine products in-house. Rallis India, a company that has recently come into the Tata fold, is trying to diversify its export business by including unusual items such as clams and halibut. Madras-based MRF Limited, which is billed as India's fastest growing tyre manufacturing company, is doing Rs 18 crore a year in seafood exports. "Our mere presence," says Philip Eapen, MRF's executive director (finance) a trifle superciliously, "is enough to add competition to the scene."

Perhaps. But big names are new in the trade. There are success stories that get swamped in the larger scheme of things. To put it simply, India's top corporations are interested in marine product exports because someone else showed them the way to the bank: the low-key players. They match and sometimes score better than their more vaunted competitors. Take the Cochin-based Choice Group. Choice has exported block frozen food for the past 30 years, but in 1987, chief executive Jose Thomas decided merely entertaining buyers wouldn't take his company very far. That year, he opened a marketing office in New York. And last September, he pumped in Rs 4.5 crore into an IQF plant. Today, the plant churns out 15 tonnes of shrimp daily, twice as much as what block freezing could. The move—coupled with a better marketing reach—has improved his monthly turnover from Rs 33 lakh to Rs 1.5 crore. Another example. Thirteen years ago, Cochin's Amalgam group started out by supplying seafood catch to processors and exporters. Today, the group's seafood exports division accounts for Rs 35 crore annually and has a tie-up with Nissin Foods, the second-largest processed foods company in Japan, after Ajinomoto.



RAPID GROWTH

Marine product exports have risen dramatically in the last five years, and could treble in the next three. Indian exporters plan to go the distance on their own – no help from the government here – using better technology and marketing skills.

Nissin has also chipped in with a 40-per cent stake in Indo-

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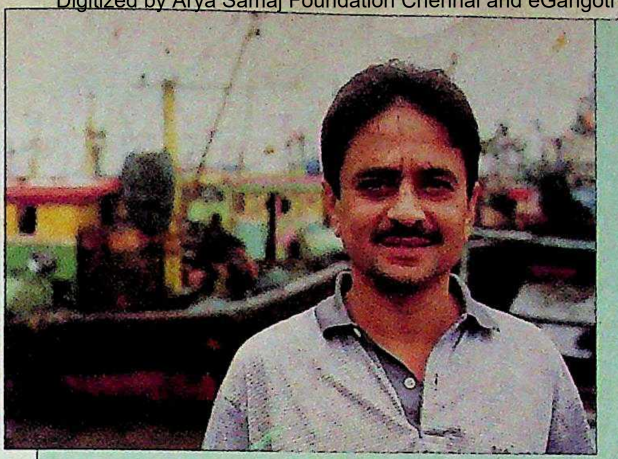
Nissin Foods, a new company—HLL's sister concern Brooke Bond holds 26 per cent of the equity—and helps Amalgam reach Japanese shopshelves. Group Chairman Abe Tharakan now talks easily about *ebi*, *eka* and *mongu*, substituting the English language equivalents of shrimp, cuttlefish and squid with the Japanese lexicon. "This is the first time," says Tharakan, "that a seafood product from India is directly reaching a retail outlet shelf." Amalgam makes between 1,000 and 1,300 trays of these sushi products a day.



"The Government has done absolutely nothing at all to help push the export of marine products."

MANU MAHTANI, *Castle Rock Fisheries, Bombay*

The picture, however, is not as rosy as it could be. India features practically nowhere in world trade terms, accounting for a mere 1.5 per cent of the total exports. The country has 275 processing plants which churn out 1.35 lakh tonnes of marine products each year. By comparison, Taiwan—with an area slightly larger than Kerala—does three lakh tonnes a year with just 75 plants. A decade ago, Thailand's export figures were less than India's. Today, Thai export revenue from marine products stands at Rs 20,000 crore, or close to 23 times what India notches up. Of the 14 lakh hectares of area suitable for aquaculture, only 60,000 hectares have been put out to farm.

The reason for lagging behind, say those in the industry, is much the same for many other things that are wrong with the way India does business: the state. "The Government," says Manu Mahtani, a director with Castle Rock Fisheries, a Rs 68-crore Bombay-based company, "has done absolutely nothing to help the export of marine products." By way of an example, Mahtani says his Bombay-based company had applied 10 years ago for land allotment for shrimp farming, and even had a foreign collaboration tied up. But he says the Government didn't think it was important enough and held back on clearance. Castle Rock lost the project and the collaborator. HLL has had to face the Government constantly spiking its expansion plans, and delaying licences for its factories, saying the company would have to get its own fishing boats if it wanted to go on with expansion plans.

THE Government wanted deep sea trawling for shrimp to protect the interests of smaller fishermen who operate with much smaller boats close to the shore, but HLL found the economics of deep sea trawling for shrimps unviable. The company tried a way out by leasing trawlers from Union Carbide, but gave up after costs proved prohibitive—company executives are not willing to disclose the actual amount they lost.

"With the European market opening up, Indian marine product exports have a bright future."

MATHEW BABY JOHN, *King Fisheries, Quilon*

But more importantly than trying to protect group interests, the Government has not been able to make up its mind about where exactly marine products fit in. Do they come under industry or agriculture? "The Government still has to come to a decision on this," says K.R.V. Parameshwar, business manager, (exports), with HLL. "Can you believe it? It is ridiculous." So, the net result is that marine products and their exports get shunted between one ministry and another, one bureaucrat's lobby and another, delaying clearance. And the one export item the Commerce Ministry has done nothing about is marine product exports. When the industry speaks of trebling exports in three years, the assumption is that the industry will achieve it completely on its own steam.

But there is no way that a group of exporters—even the MPEDA, which doesn't have strategic plans anyway—can break into the big time without government help. Even if exports grow at the rate that the industry thinks they will, the earnings will still hover around 2 to 3 per cent of the total world trade. And competition is growing, with marine products actually forming a part of official trade negotiations in the international arena. Here, India is out in the cold and government apathy may actually see an erosion in India's share of the international trade. "We have been ready for the blue revolution," says Castle Rock's Mahtani. "But it will remain a dream till the Government wakes up and takes stock of the situation." As things stand, the marine products industry has a better chance dreaming.

A brilliant new name shines brightly on the Indian sugar horizon

Sugar. It forms an integral part of our daily life. And with growing population and increase in standard of living, the per capita consumption of sugar is increasing steadily.

In this scenario, a modern new sugar company makes its debut — **Sree Kailas Sugars & Chemicals Ltd.** — a 2500 TCD Sugar unit, being set up at a total outlay of Rs. 2800 lacs. The plant is located in the sugarcane rich area of Khammam District of Andhra Pradesh, thereby assuring the Company of abundant supply of high quality sugarcane.

Thanks to the foresight of the promoters, the Company has **already obtained licences for setting up a distillery and alcohol based chemical units,** that will, subsequently, be integrated with the sugar plant for higher profitability.

The project incorporates the latest plant and machinery from Buckau Wolf India Ltd — a world renowned sugar machinery manufacturer. Project implementation is in an advanced stage and production is expected to commence as per schedule by end **November, 1991** — in time for the next crushing season, 1991-92.

Sree Kailas Sugars has been promoted by **Sri Kailas S. R. and associates** — a dynamic, fast growing group of Andhra Pradesh. Managed by top notch professionals, the Company has an eminent board which includes **Sri Baldev Pasricha**,(Former Chairman, IFCI), **Dr. N. A. Ramaiah** (Former Director, National Sugar Institute), **Sri G.C. Baveja**(Former Finance Secretary, Govt. of India) and **Dr. Ram K. Vepa** (Former Chief Technical Advisor, UNIDO).

With such credentials, Sree Kailas Sugars looks forward to a bright future. A future it would like to share with you.

Sree Kailas Sugars

> *"With proper effort for exploiting the cane potential, the mill can easily expand its capacity to 10,000 TCD."*
> *Vasanthdada Sugar Institute, Pune*

Sree Kailas Sugars & Chemicals Ltd.

Registered Office: 12-13-90, Street No. 3, Tarnaka,
Secunderabad-500 017.

PRESSMAN

THE BEGINNING OF A SWEET SUCCESS STORY

NEW CURRENCY

FOR India's import-hungry people, a new currency will be unveiled next month. Called the Exim Scrip—hazy details of which were given out by Minister of State for Commerce P. Chidambaram while announcing his package of trade reforms—this new currency will replace the old-fangled replenishment licences, better known as REPs. While the REP licence looked like any official document, the new Exim Scrip will look more like a currency note, though it will be much bigger. It will be printed at the Nasik Security Press. And unlike REPs, which are essentially entitlements to import, the scrip will be issued in denominations that are more easily tradeable and exchanged. The lowest denomination being thought of is Rs 1 lakh, but smaller notes may be issued later if found necessary. Current information indicates that the scrip will be denominated in rupees rather than dollars.

PACKING IT IN

THE Indian packaging industry had better watch out. International packaging heavyweight, Switzerland-based Tetra Pak, is on the threshold of making it big. The European Commission recently approved the $3.1 billion company's bid for Alfa-Laval, the Swedish food processing company, also an international leader in its field. The effects of this mega-merger will subsequently trickle down to India—both companies already have a market here, which, with increasing consumerism and demand for easy-to-use products, can only grow. Details for restructuring the Indian operations are yet to be worked out, but the word has gone out in the industry: if you are in packaging or food processing, better get your act together.

ALL SEWN UP?

INDIAN Sewing Machine Company Limited, the makers of the Singer brand of sewing machines, is now diversifying into a whole range of new areas. The company, after its success in selling food processors, is coming up with electric steam irons, rice cookers and toasters, among other things. The company also plans to make retailing a source of business, mirroring a recent corporate trend where organisations, which are constrained by flattening sales, are looking to make better use of their assets. Singer has as many as 100 stores all over the country through which it plans to sell refrigerators, washing machines and even televisions manufactured by different companies, but marketed under the Singer brand name.

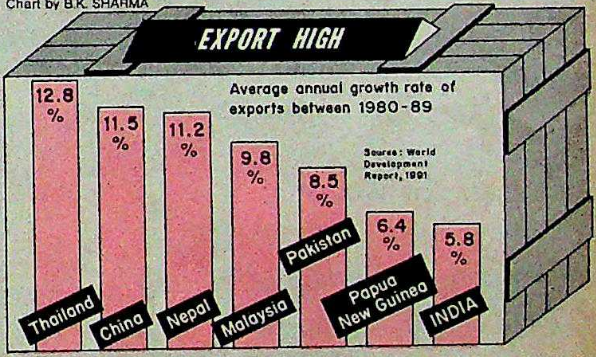
ME AND MINE

HORSE trading has begun with three posts of members falling vacant in the Central Board of Excise and Customs (CBEC). Also, there is speculation that another revenue collecting body, the Central Board of Direct Taxes (CBDT) is going to have a new head. The three CBEC vacancies are for offices which handle customs, smuggling and narcotics, and policy. Something any industrialist worth his salt would like being run by his nominee. These days, scores of them from Bombay, Delhi and Calcutta are frequenting the South Block to push their respective candidates. Incidentally, all the senior bureaucrats in these departments who were ejected by the V.P. Singh regime are now trying to stage a comeback with the help of business tycoons.

EXPORT ENVY

THE World Bank's *World Development Report 1991* throws up interesting comparisons for export growth rates. Interesting because it shows what kind of export efforts India will have to contend with in an increasingly competitive world market. For example, between 1980-89, India's exports grew at an average of 5.8 per cent a year. Thailand's on the other hand, grew by 12.8 per cent, China's by 11.5 per cent, Malaysia's growth was impressive at 9.8 per cent and Pakistan's a respectable 8.5 per cent. But what should get India a little worked up is the comparison with relatively insignificant players such as Nepal, which registered a growth rate of 11.2 per cent and even Papua New Guinea, which notched up a growth rate higher than India's, at 6.5 per cent.

Chart by B.K. SHARMA



BATA'S GAMEPLAN

BATA India is refashioning its growth strategy, moving away from manufacturing and emphasising marketing like never before. Recently Bata entered into marketing tie-ups with Funskool Toys and BSA Cycles. To flex its retailing muscle better, it has formed a separate company to handle its shops and real estate, presumably to facilitate expansion. And partly in response to labour problems at its West Bengal factory, production lines are being shifted out of the state—if not discontinued altogether. The gameplan is also to farm out production of low-profit items—cheap shoes, for example—and instead, stress on high-margin products such as Adidas sports shoes, and re-position its Ambassador range of apparel in view of growing competition from brands such as Stencil, Louis Phillipe, and Park Avenue. Even a decade ago, few thought Bata would amount to much else besides shoes.

LABOUR

Heading for Trouble

Exit policy likely to stir up a hornet's nest

SNOWED under the moves on liberalisation and deregulation of the economy and industry, is one crucial element that could wreck the Government's best laid plans. One that India's reformist mandarins are clearly nervous about: labour.

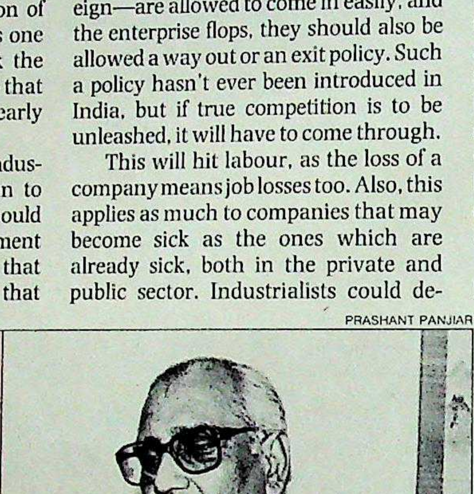
The point is simple. The new industrial policy has allowed a free run to industry. A rush of new industries should logically lead to a growth in employment but as of now, there is no indication that there will be a rush. A corollary is that once companies—both Indian and foreign—are allowed to come in easily, and the enterprise flops, they should also be allowed a way out or an exit policy. Such a policy hasn't ever been introduced in India, but if true competition is to be unleashed, it will have to come through.

This will hit labour, as the loss of a company means job losses too. Also, this applies as much to companies that may become sick as the ones which are already sick, both in the private and public sector. Industrialists could demand that they will buy into a public sector company only if they are permitted to wield the retrenchment axe. That could create problems. "The West has a social security system to take care of unemployed workers. We have nothing but unemployment," says Gopeshwar, general secretary of the Congress(I)-affiliated Indian National Trade Union Congress. Today, 3.3 crore Indians are registered with employment exchanges and the figure of total unemployed for the organised sector is 20 crore. Labour leaders and government officials are not sure how many more could be added to the list if retrenchment takes place, but labour could get out of control, especially in areas like West Bengal and Kerala where it is already militant.

PRASHANT PANJIAR

"The workers are bound to come forward to protest. It all depends on how quickly we are able to educate the working classes."

M.K. PANDHE,
General Secretary, CITU

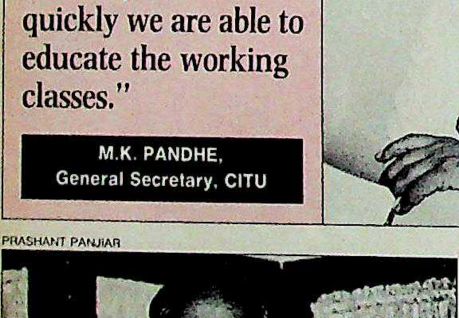


Besides retrenchment, a worker will have to contend with growing inflation and chances of wage freezes. There is also a feeling that Section 25 (O) of the Industrial Disputes Act, which prevents closure of units, may be deleted. If all this happens, industrial unrest leading to political problems is inevitable—trade union bosses are already planning for it. Says M.K. Pandhe, general secretary of the CPI(M)-controlled Centre for Indian Trade Unions: "Workers are bound to come forward to protest. It depends how quickly we can educate the working classes."

This is precisely what the Government has to prevent but it hasn't even moved a muscle on it. No attempts have been made to contact the major trade unions, explain the position and try and assuage their fears. All that the industry policy proposal has mentioned is that the Government will "fully protect the interests of labour". But right now, that undertaking doesn't amount to much. Labour representatives' efforts at meeting government officials have been unsuccessful. The entire exercise seems confined to a few officials around the prime minister and finance minister and has not been discussed at the political level. Almost all unions have affiliations with political parties. This makes the labour question all the more important, as party and union leaders will look to protect their own interests.

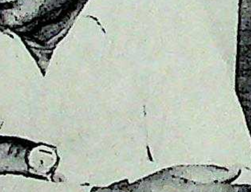
The proposals have caused resentment within the Congress(I). Add to this the need for the Opposition's support for its survival. Devaluation of the rupee, pledging gold reserves and the IMF's so-called arm-twisting for a loan are already points of dissent. But adverse labour rela-

PRASHANT PANJIAR



"Foreseeing labour distress, the Government should start thinking of ways and means to minimise job losses."

K. RAMAMURTHY
Union Minister of State for Labour



Besides a chance of being laid off, a worker will have to contend with growing inflation and increasing chances of wage freezes.

tions can affect India's economic future far more than any of these. Says Minister of State for Labour K. Ramamurthy: "Foreseeing labour distress, the Government should find ways to minimise job losses." He feels there shouldn't be a blanket approval for labour reduction or closures in the name of modernisation. But the policy-makers haven't articulated the ways to tell labour, their leaders or even the minister how they will handle the problem.

THERE are ways out. For instance, management could think up retraining programmes to employ laid-off workers in other areas that may emerge as the spin-offs from liberalisation. Also, suitable compensation could encourage many to leave. Take Burmah Shell, the multinational oil corporation. With cooperation from its unions, Shell brought down the labour force in its Indian associate company—taken over by the Government in 1976—from 24,000 to 5,000 over a 15-year period. The retrenched workers were given a golden handshake and time to find new employment. The process was slow, but it worked. Says Russi Mody, TISCO chairman and managing director: "I've been able to work out liberal compensation packets involving heavy expenditure which is recoverable over, say, two years."

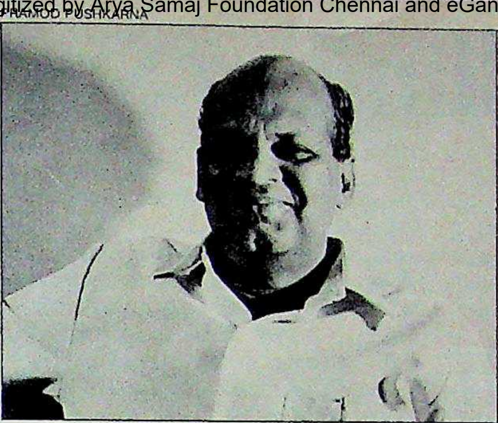
But the problem isn't always as easily solved. In June, rumours of retrenchment at the Uttar Pradesh Cement Corporation plants—state-run units taken over earlier this year by industrialist Sanjay Dalmia—led to rioting at Dalla and death of some workers. India's labour force and laws do need pruning. For instance, tightening up a work ethos that permits a person to saunter in at 11 a.m., take a two-hour lunch break, and pack up at 5 p.m. Performance should be the criterion for moving up, not seniority. But Indian labour is militant, thanks to labour leaders and politicians who use worker groups to score points. "The greatest opposition to exits will not be from workers but trade union bosses whose importance lies in the number of men they can control," says Mody.

But the flip side, often ignored, is that industries need not become sick in the first place, or make losses which necessitate retrenchment. The number of large- and medium-scale units in the private sector was 1,042 at June-end. And 98 out of 233 public sector units under the Central Government were loss-makers, over half of them terminally sick. Significantly, a recent RBI study found that labour was responsible for only 2 per cent of the sickness. The remaining 98 per cent was due to mismanagement and siphoning off of funds by managers. So blaming labour entirely—not the leaders but workers—and absolving management for the ills of industry doesn't give the real picture. This is statistics, not bleeding-heart liberalism. "If industrialists want labour to sacrifice, its share should not be disproportionate," says V.P. Sawhney, labour secretary. "Labour resents the employer coming to work in a limousine when it is denied an extra rupee as cycle allowance."

This, then, is the background against which Indian labour works. If the Government throws open the economy, Indian industry will have to become competitive and by default, get rid of its slackness. Foreign companies may come in with the promise of profits and in return, provide the much needed foreign exchange and technology. Assume India may actually be on the way to an industrial revolution. But before that, the Government will have to find a way to pacify labour and labour leaders, and assure them that a liberal economy doesn't mean labour will be bereft of safety nets. And there are people waiting to take advantage of this kind of slip. Says Datta Samant, militant labour leader and president of the Bharatiya Kamgar Union (BKU): "I am watching with great amusement all this great talk of privatisation. Let it happen, then the wrath of Datta Samant will be shown." If this is the way labour swings, the exit policy may as well be a wreath for the economy.

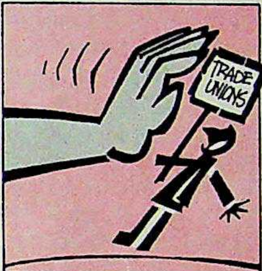
—ARUN CHACKO with GODFREY PEREIRA and bureau reports

PRAMOD PUSHKARNA



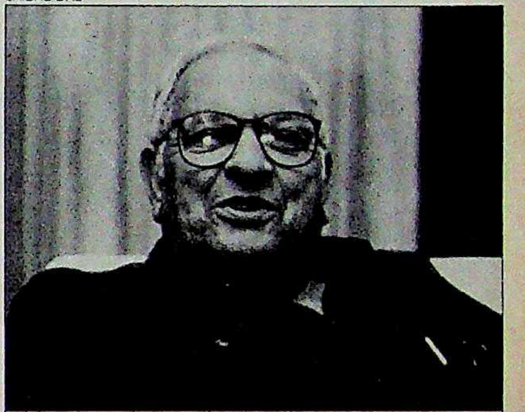
"I am watching. Let privatisation happen. Then the wrath of Datta Samant will be shown."

DATTA SAMANT
Militant Labour Leader and President, BKU



No serious attempts have been made to contact the major trade unions, explain the economic position and try and assuage their fears.

SAIBAL DAS



"Opposition to exits will not be from workers, but from union bosses whose importance lies in the number of men they control."

RUSSI MODY
Chairman and Managing Director, TISCO

Selling to Survive

MY grandfather Jagjiwan Ujamshi lost a fortune in the great crash of the '30s. I still remember him reminiscing under the mango tree in our garden, and telling me with immense pride how he had met his obligations. He sold every asset the family had—all his wife's jewellery and gold—but he paid his dues on time. It was clearly a matter of honour for him. He told me that a man's credit was more precious than all the gold in the world. Since he made another fortune later, his words certainly had some practical value.

I can think of no greater stain on the honour of this country than to fail in our international obligations. I would support the finance minister in everything he does to stave off default. If that were the alternative, the conditions attached to the IMF loan would be of no consequence, indeed we should abide by them even without the loan. But should we really borrow more money?

The finance minister cannot be altogether happy about taking the IMF loan. After all he, more than others, has cautioned us about the dangers of incurring further debt to pay old debts. He has warned us of the danger of compound interest—it will suck us further into the debt trap. The IMF loan is surely no exception. We shall only be adding to our short-term debt. The finance minister will claim that he has no other choice. But he does have one other option and that is to sell gold.

Now to every Indian the very suggestion that we should part with our gold is sacrilege. It conjures up images of hawking *mangalsutras* and *streedhan* in the market-place. I shall be accused of trampling on Hindu sentiment. I hope, however, I shall be forgiven for following a greater Hindu tradition—that of doing my duty. For it is surely the responsibility of Indian economists to point out that the greatest minds in their profession have looked upon gold as a barbarous relic. Adam Smith taught us that precious metals were a false guide to national wealth. Keynes described the Indian attachment to them as the main cause of India's poverty.

The case for selling gold is that it yields nothing. It is a sterile commodity that for some reason evokes deep psychological emotions. In a lighter vein, Keynes speculated that this lure for gold had its origin in "the magical properties with which Egyptian priesthood anciently imbued the yellow metal". But whatever attributes gold may have, it lacks the wizardry of compound interest—that essential ingredient for making wealth grow.

In 1930, Keynes calculated that the entire foreign investment of England, which then stood at £4,000 million, was created by selling off the treasure that Francis Drake stole from Spain in 1580. Out of her share of the booty, Queen Elizabeth I invested £ 40,000 in an overseas company. Then as Keynes tells the story:

"Now it happens that £40,000 accumulating at 3.25 per cent compound interest corresponds to the actual volume of England's foreign investments at various dates, and would actually amount today to the total of £4,000 million which I have already quoted as being what our foreign investments now are. Thus every one pound that Drake brought home in 1580 has now become £1,00,000. Such is the power of compound interest!"

Against this immense growth, the impotence of gold is easily shown. In the last decade the Reserve Bank has lost

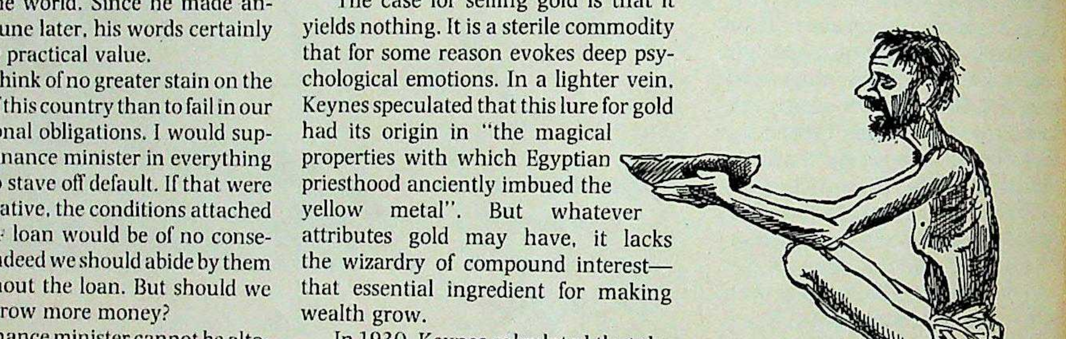


illustration by JAYANTO

We have, in private hands, at the very least, a total stock of over 7,000 tonnes. The international price of gold is about $12 million per tonne, so private hoards are worth about $84 billion at international prices, more than our entire external debt. We must mobilise this to pay off our debts.

considerably by holding on to this precious metal. Our official stock has for many years stood at 331 tonnes. In 1980, when the price of gold was over $800 per ounce this was worth somewhat over $8 billion. If, therefore, we had converted our stock into dollars and placed the money on interest at the modest rate of 7 per cent, it would now have been worth $16 billion. Instead, by keeping the gold, our reserves have lost half their value and they are worth a little over $4 billion. Over and above this we have lost 10 years' interest.

ADMITTEDLY, I have based these calculations on selling gold at the highest price attainable in recent years: it is not totally unreasonable because we do expect those who look after our public affairs to know when to sell and buy. But even if we had not sold it at high prices we would still have had an additional $4 billion in reserves earned by way of interest. That additional $4 billion is what we now hope to borrow from the IMF.

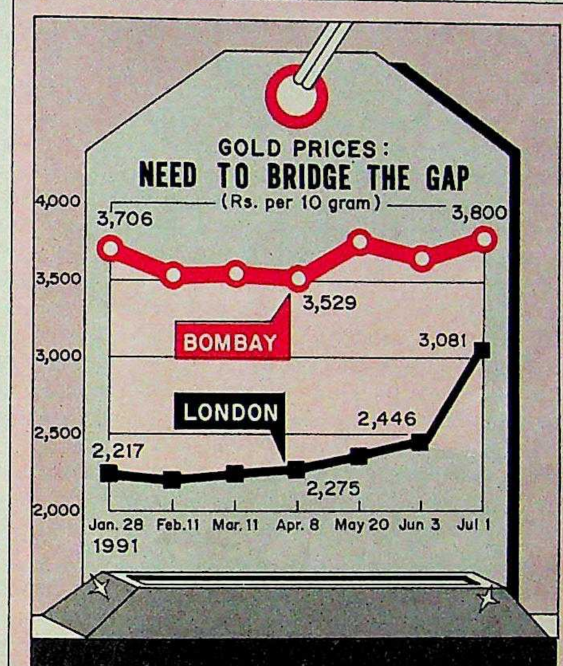
All this is in the past. Is there anything we can do today? The answer, I fear, is the same—we must sell gold. Every ounce we sell reduces the need to incur further debts; but our official reserves are less than 5 per cent of the total stock of gold in private hands. Persuading the public to sell is what will yield us the largest dividends.

Let us begin by an approximation of our total stock of gold. The Bullion Association of Bombay estimates that between 1830 and 1980, India accumulated over 5,400 tonnes of gold. Since then, the 1991 report of Gold Field Mineral Services Limited (the research arm of Consolidated Gold) suggests that a further 1,031 tonnes was smuggled into India.

Add to these figures the estimated stock that we probably held before 1830 and we have, in private hands, at the very least, a total stock of over 7,000 tonnes. The international price of gold is about $12 million per tonne, so private hordes are worth about $84 billion at international market prices—more than our entire external debt. It is this enormous stock that we must mobilise to pay off our debts.

Adam Smith showed us that gold and silver are just like any other commodity. We should, therefore, treat these precious metals as just ordinary, exportable goods. We should lift the ban on exports and offer the same incentives that we do for other commodities. Specifically gold exporters should be entitled to exim scrips, REP licences and all other tax breaks that are available under the new policy. But even with all this, will exports take place?

Chart by B.K. SHARMA



The REP rate is exclusively decided by the Government. If, for example, it decided to give a 70 per cent REP rate for precious metals, the present 40 per cent premium on exim scrips would be sufficient to open up the possibility of gold exports.

The price of gold in the international market is $370 per troy ounce and in the domestic market it is Rs 12,440 (on the basis of Rs 4,000 per 10 gram). At the prevailing exchange rate of Rs 25.9 to the dollar, the domestic price is higher by approximately 30 per cent. This surplus is shared more or less equally between the seller of black market dollars (the *havala* rate) and the importer, for taking the risk of contraband trade.

The new weapons introduced by the Government can be useful in attacking this illegal exchange. The tools are the REP rate (at present uniformly 30 per cent) and the market premium on the REP rate, which is now 40 per cent. The total value of the premium is the product of these two. In this particular example that is 12 per cent.

On these calculations, the total value of the REP premium is less than the difference between the international and domestic price of gold and exports would not take place.

However, there are other possibilities. The additional premium on exports is a product of the REP rate and the market premium on exim scrips. The REP rate is exclusively determined by the Government. If, for example, it decided to give a 70-per cent REP rate for precious metals, the present 40 per cent premium on exim scrips would be sufficient to open up the possibility of gold exports.

But why should the Government make an exception for gold? There are many good reasons not to do so, but there is one superb argument in favour of giving a higher REP rate for gold exports. Like inward rupee remittances of NRIs, gold adds value by a hundred per cent. There is no resource cost like the use of energy and raw materials in either of these two items.

Inward remittances are inextricably linked with smuggled gold. It is important therefore that the Government looks on the cross-effect of REP rates on the two markets. Ideally, both precious metals and inward remittances should enjoy the same benefits. Properly handled it would put an economic barrier to illegal imports of gold and, unless our passion for precious metals is insatiable, it should lead to exports.

However, it is not my intention to calculate the precise parity at which gold will be exported. That is the task of markets. What I believe should be done is to throw into the melting pot gold as a major potential export.

In any event, treating gold as just another commodity will have a very salutary effect on the Indian psyche. Perhaps our people will realise that it is lunacy to hoard a commodity that yields no return: that there are greater pay-offs in building factories and investing in equity. In changing a national habit, compound interest is a very much more powerful tool than the words of a mere scribbler.

(The author is a Delhi-based economist-cum-businessman.)

THE MARKETS

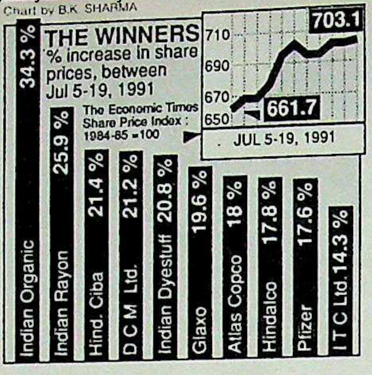
Up, Amazingly

Bullish trend continues

THE stock-markets should have been in a tailspin for the fortnight ended July 19. Yes, corporate results for 1990-91 still trickling in, confirmed that last year was a vintage one, with profits touching the highest levels ever. Yes, a possible loan from the IMF is definitely a morale booster as it shows that India may yet come out of the balance of payments mess. And yes, if India liberalises, it can work wonders for Indian industry and by default, the stock-markets, as industry is expected to increasingly tap the markets—not banks—for money.

But the point is that these factors had something either to do with the past, or a future that looked increasingly suspect. As the fortnight drew to a close, there was still no sign of the much-touted new industrial policy, which the Government had promised would be unveiled on July 15. There were signs that a section of the Congress(I), as much as the Opposition and monopolists, were out to stall any reform. Though the contours of the Union budget were unclear, nobody expected it to be lenient. Meanwhile, the railway budget has proposed an increase in freight charges. Usually the market dips whenever the Railway Ministry suggests a hike, but this time, the markets just went on climbing, with *The Economic Times* Share Price Index registering a 41.4 point rise over the fortnight, to close at 703.1.

Chart by B.K. SHARMA



There was no indication of the markets acknowledging that devaluation doesn't work well if exports don't increase right away. Import tariffs had not come down, and the devaluation of the rupee meant that both the Government and industry were adding to India's bill, besides adding costs to the consumers' purchases. Real inflation was estimated to be at 16 per cent, as against the Government's claims of a little over 10 per cent.

Ignoring the bad news, scrips across the board gained over the fortnight. What seemed like a good run may actually have been bears pretending to be bulls. Driving up prices by buying, selling at a profit but alongside, selling at a time so that if prices fall after the Union budget, they can clean up a market full of cheap stocks. And start the cycle all over again. Either way, they win.

Going by this trend, the logic behind the fortnight's share price gains seem acceptable. But if the rise is a sign of solid investor confidence—which some market analysts doubt—in India's economic future and the Government's intention of pulling off a liberalisation coup, then the trend was premature. Devaluing the rupee and allowing free trading of replenishment licences were the initial steps to reform, but the others were nowhere in sight. Waiting and watching may have been more prudent. Remember 1987?

ACTIVE STOCKS

	1991 HIGH	1991 LOW	CLOSE 19.7.91	Change in Fortnight
Ashok Leyland	162.50	109.00	162.00	16.00 +
Associated Cement	2780.00	1300.00	2580.00	190.00 +
Asian Paints	267.50	215.00	240.00	6.25 +
Atlas Copco	89.00	42.00	85.00	13.00 +
Bajaj Auto	680.00	500.00	590.00	15.00 +
Baroda Rayon	630.00	400.00	565.00	120.00 +
Bata India	93.00	72.00	83.50	3.50 +
Ballarpur	309.00	228.00	284.00	2.00 +
Birla Jute	297.00	168.00	291.00	4.00 -
Blow Plast	155.00	40.00	122.50	15.00 -
Bombay Dyeing	245.00	150.00	207.50	10.00 +
Britannia Ind.	160.00	112.00	156.00	16.00 +
Brooke Bond	172.00	116.00	138.00	8.00 -
Cadbury India	187.50	132.50	163.75	11.25 +
Castrol India	370.00	162.50	362.50	13.75 +
Century Textiles	6525.00	3625.00	6340.00	15.00 +
Colgate Palmolive	347.50	250.00	332.50	7.50 +
Cyanamid	155.00	76.25	145.00	17.50 +
DCM	300.00	123.00	217.00	38.00 +
Dunlop	65.25	46.50	56.00	1.00 +
E.I. Hotels	55.00	35.00	55.00	10.00 +
Escorts	172.00	127.00	149.50	3.90 +
Finolex Cables	260.00	140.00	197.50	12.50 +
Garware Nylon	43.75	27.00	37.00	7.00 +
G.E. Shipping	81.00	25.00	78.25	0.25 -
G.S.F.C.	221.25	150.00	217.50	21.25 +
Grasim Ind.	261.00	167.50	251.00	12.00 +
Guj. Ambuja Cement	186.25	90.00	185.50	15.50 +
Hind. Aluminium	307.50	200.00	306.25	46.25 +
Hind. Ciba	1750.00	650.00	1700.00	300.00 +
Hindustan Lever	195.00	135.00	140.00	31.25* -
Hindustan Motors	25.75	18.80	23.00	3.00 +
Hoechst	3650.00	2400.00	3250.00	150.00 +
ICI	59.00	30.00	57.00	5.00 +
Indian Organic	47.50	30.00	45.00	11.50 +
Indian Rayon	146.50	104.50	146.00	30.00 +
Ingersoll-Rand	385.00	240.00	355.00	40.00 +
ITC	202.00	99.00	200.00	25.00 +
J.K. Synthetics	42.00	27.00	35.50	7.00 +
Kinetic Engineering	190.00	145.00	160.00	nil +
Kirloskar Cummins	156.25	95.00	143.75	5.00 +
KSB Pumps	225.00	160.00	210.00	10.00 +
Larsen & Toubro	140.00	90.00	110.00	2.50 +
Lipton	147.50	57.50	145.00	12.50 +
LML Ltd.	37.50	21.00	22.50	0.50 -
M&M	82.50	57.50	66.25	6.25 +
Mastershares	38.00	20.00	35.65	0.90 -
Motor Industries	1500.00	675.00	1370.00	120.00 +
Mukand Ltd.	215.00	117.50	145.00	17.50 -
National Organic	1550.00	925.00	1510.00	135.00 +
Nestle India	165.00	111.25	161.50	17.50 +
Nirlon	26.00	16.00	22.50	1.50 +
Orkay Silk Mills	34.25	17.50	26.00	1.25 +
Peico Electronics	98.50	53.00	88.50	2.50 -
Premier Auto	57.00	30.00	47.50	7.50 +
Raymond	180.00	110.00	158.75	6.25 +
Reckitt & Colman	295.00	205.00	291.00	28.00 +
Reliance Industries	163.75	91.25	130.00	6.00 +
Siemens India	157.50	112.50	155.00	5.00 +
Shaw Wallace	137.00	77.00	134.00	10.00 +
Shriram Fibres	47.50	33.00	46.00	5.50 +
SKF Bearings	2825.00	1650.00	2700.00	275.00 +
SPIC	65.00	33.00	57.00	6.00 +
Tata Steel	222.50	170.00	214.50	10.50 +
Telco	257.50	142.50	245.00	12.50 +
Titan Watches	93.75	58.00	75.00	nil
Vam Organic	195.00	102.50	187.50	5.00 +
Videocon Int.	285.00	133.75	180.00	20.00 +
Voltas	125.00	92.50	120.00	5.00 -
Wimco	38.00	16.00	36.00	7.50 +

*Ex-bonus

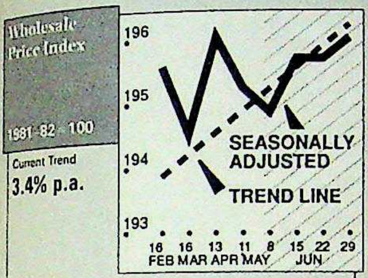
WORLD VALUE OF RUPEE

COUNTRY	CURRENCY	UNIT	TT Selling Rates Rs	TT Buying Rates Rs
Australia	Dollar	1	20.1276	19.9149
Austria	Shilling	100	209.1700	206.6491
Bahrain	Dinar	1	69.2598	67.3363
Bangladesh	Taka	100	73.2536	72.1393
Canada	Dollar	1	22.6313	22.3037
Denmark	Kroner	1	3.8064	3.7669
Egypt	Pound	1	8.1127	7.9845
France	Franc	1	4.4053	4.2918
Germany	DM	1	14.9254	14.5560
Hong Kong	Dollar	1	3.3548	3.3219
Indonesia	Rupiah	100	1.3375	1.3165
Iran	Rial	100	N/A	N/A
Italy	Lira	100	1.9758	1.9523
Japan	Yen	100	19.2678	18.7970
Kenya	Shilling	1	0.9055	0.8964
Kuwait	Dinar	1	N/A	N/A
Malaysia	Dollar	1	9.3601	9.2662
Mauritius	Rupee	1	1.5631	1.5388
Nepal	Rupee	1	0.6070	0.6056
Netherlands	Guilder	1	13.0306	12.8981
Pakistan	Rupee	1	1.0629	1.0420
Singapore	Dollar	1	14.8827	14.7303
Spain	Peseta	1	0.2351	0.2326
Sri Lanka	Rupee	1	0.6344	0.6267
Sweden	Kroner	1	4.0658	4.0234
Switzerland	Franc	1	16.9653	16.7902
Tanzania	Shilling	1	0.1189	0.1162
Thailand	Baht	100	102.3248	99.3827
UK	Pound	1	43.3276	43.0108
USA	Dollar	1	26.0417	25.7898
UAE	Dirham	1	7.0939	7.0195
USSR	Rouble	1	29.9379	29.9356

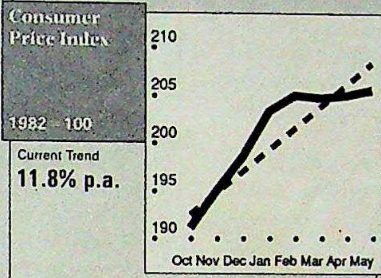
These rates were supplied by The Bank of Tokyo Limited, New Delhi and quoted between the banks on 19.7.91.

The massive devaluation undertaken by the RBI is not sufficient in itself for boosting exports, as a cheaper rupee has to be accompanied by full-fledged trade and market reforms for the scheme to work. At the same time, costlier imports mean higher prices—if the Government cannot get a handle on this, the scheme is unlikely to work.

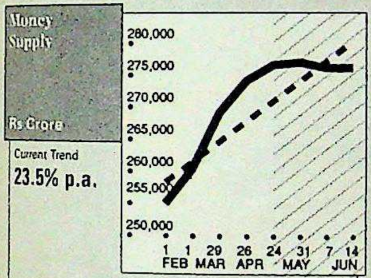
All data are seasonally adjusted. Current trends are computed on the basis of six months' (weekly data) or one-and-a-half years' (monthly data) figures.


Wholesale Price Index
1981-82 = 100
Current Trend
3.4% p.a.

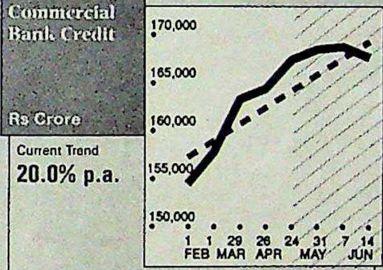
The double-digit inflation is not reflected in the rate of growth as the index has been stable over the past few months.


Consumer Price Index
1982 = 100
Current Trend
11.8% p.a.

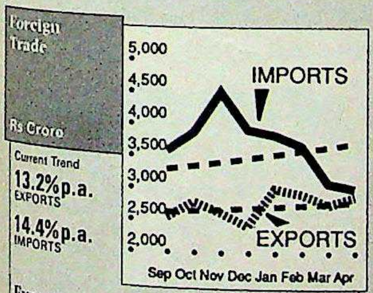
The proposed cuts in subsidies, import and credit curbs will make shopping even more expensive.


Money Supply
Rs Crore
Current Trend
23.5% p.a.

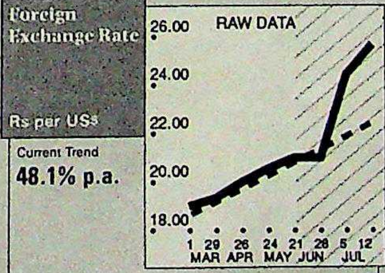
Money supply fell slightly—however, much greater monetary restraint is required to combat profligacy.


Commercial Bank Credit
Rs Crore
Current Trend
20.0% p.a.

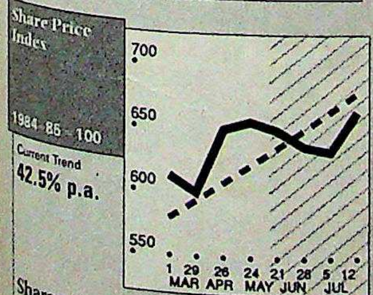
A drop—besides a paucity of funds, industry has to live with higher prices for credit, which is expected to remain high.


Foreign Trade
Rs Crore
Current Trend
13.2% p.a. EXPORTS
14.4% p.a. IMPORTS

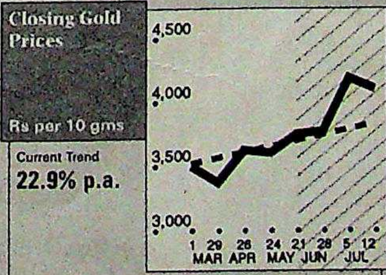
Exports rose while imports fell—but what is worrying is that imports are growing at a faster rate than exports.


Foreign Exchange Rate
Rs per US$
Current Trend
48.1% p.a.

The devaluation of the rupee will boost exports—provided it is backed by trade and industrial reforms.


Share Price Index
1984-85 = 100
Current Trend
42.5% p.a.

Share prices jumped in response to anticipated economic reforms—the reaction was premature.


Closing Gold Prices
Rs per 10 gms
Current Trend
22.9% p.a.

Another good fortnight for gold—prices stayed high mainly because of investors using the metal as an inflation hedge.

WHOLESALE PRICES

Growth of items in the 2nd fortnight of June 1991

	% Growth
Chillies	12.79
Fish	10.29
Copra	8.05
Linseed Oil	6.79
Oranges	5.57
Khandsari	5.14
Arhar	4.48
Rape & Mustard Seeds	4.40
Groundnut Oilcake	3.98
Turmeric	3.96
Masoor	3.06
Milk	2.91
Betel-Nuts	2.91
Maize	2.74
Eggs	2.72
Mustard Oilcake	2.66
Power-Driven Pumps	2.49
Electrical Motors	2.25
Cigarettes	2.22
Cotton Raw	2.06
Linseed	1.94
Gur	1.87
Coconut Oil	1.84
Jowar	1.75
Moong	1.47
Mining Machinery	1.25
Cables & Wires	1.07
Polythene Moulding Powder	0.99
Mustard Oil	0.95
Rice	0.88
Trucks	0.79
Urad	0.78
Cement	0.76
Buses	0.73
Cotton Cloth	0.69
Sugar	0.61
Solvent Extracted Oil	0.61
Silk & Artificial Fabrics	0.61
Cotton Seeds	0.49
Handloom & powerloom Products	0.43
Vanaspati	0.41
Gingelly Seed	0.32
Ghee	0.29
Wheat	0.29
Cycles	0.27
Gingelly Oil	0.20
Cotton Yarn	0.14

Of the 134 series considered, 121 of them with a total weight of 77.681 had a non-negative rate of growth and 13 of them with a total weight of 7.171 had a negative rate of growth.

SELECTED INDICATORS

	1990	1991
Coal Thousand Tonnes, May	15400	15900
Saleable Steel Thousand Tonnes, May	600.8	747.2
Cement Thousand Tonnes, May	3947	4490
Fertilisers Thousand Tonnes, May	739.6	787.7
Electricity Million kWH, May	21006	23002

Compiled by THE POLICY GROUP

Security Check

■ Redressal may be on the way for India's investors. A study group under the chairmanship of M.J. Pherwani, chairman, Infrastructure Leasing and Financial Services Limited and the National Housing Bank, has been constituted by the Ministry of Finance. The group will review existing guidelines relating to the fresh issue of shares and debentures, valuation of equity shares of companies, cost of public issue of securities, listing of securities on stock exchanges, allotment of shares and refund of excess application money.

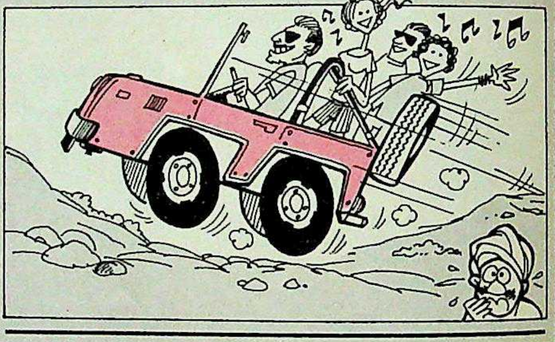
The study group will also evolve guidelines for the issue of new financial instruments such as non-voting shares, zero-coupon bonds and warrants.

NAMAS BHOJANI

The Securities and Exchange Board of India (SEBI) suggested changes for the better years ago. However, it was not given the necessary powers to implement them. More importantly, it wasn't even taken seriously. Not any more. Now, the changed atmosphere in the Finance Ministry, the SEBI's suggesting, and Pherwani's findings, should pack quite a wallop for stock reforms.

On the Road

■ There is a distinct market car manufacturers have their eye on: people buying cars like the Maruti Gypsy and the Mahindra & Mahindra Jeep for that outdoors image or speed. TELCO is targeting this market for the launch of its new "sports utility vehicle" called Sierra. This will have add-ons such as air-conditioning, power steering and a music system, taking the total cost to around Rs 3.5 lakh, compared to the Gypsy and the Jeep which are in the Rs 2 lakh range. Says V.S. Krishnan, executive-in-charge (corporate planning) with TELCO: "We feel there is a pent-up demand in this area." Maruti Udyog executives say the "fun" market size is only about 2,000 cars a year—the defence forces and the police pick up the rest. But TELCO estimates it can sell 2,500 Sierras a year to the individual sales sector alone. The way the trend is going, looking rugged without getting ragged is the route on Indian routes.



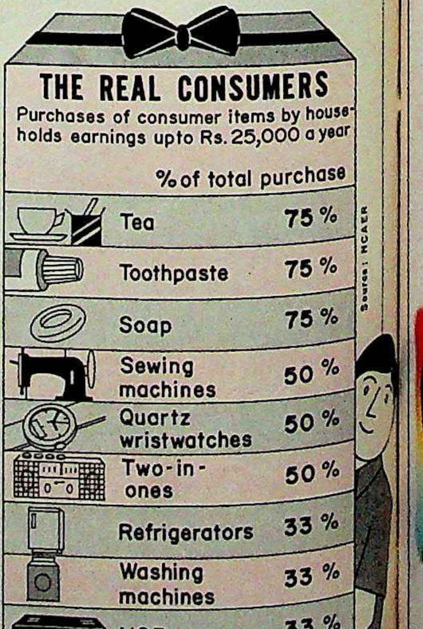
Eyeing India

■ If you think twice before you touch Indian sunglasses, think again. The world-famous Ray Ban brand is slated to be launched in India by March next year, provided everything goes according to plan. Bausch and Lomb, manufacturers of the international brand, have tied up with Bhai Mohan Singh's Ranbaxy empire to make Ray Ban glasses here, which are expected to be priced at over Rs 1,000 each. Also, the Rs 30-crore project—20 per cent of the equity will be unloaded to the public, with the parents retaining 40 per cent each—will bring to the Indian consumer a variety of eyecare products—soft contact lenses and lens care solutions. Also on the cards is the manufacture of metallic frames for prescription glasses. The only thing that hasn't been finalised is the brand name. Says Jaspal Singh Bajwa, general manager (marketing), Bausch and Lomb India Limited: "The Indian brand name will be an Indianised version." Ray *Bandh*, perhaps.

Cartoons by JAYANTO

Consumer Culture

■ India is the land where the low income buyer picks up a surprisingly large amount of consumer goods. The National Council of Applied Economic Research has found that households with an annual income up to Rs 25,000 buy 75 per cent of the tea, toothpaste and soap sold in the country, more than 50 per cent of sewing machines, quartz wristwatches and two-in-one music systems, and more than 33 per cent of refrigerators, washing machines and VCRs. What marketing departments must be hoping for now is that inflation and a fall in incomes don't rattle the goose.



THE REAL CONSUMERS

Purchases of consumer items by households earnings upto Rs. 25,000 a year

	% of total purchase
Tea	75 %
Toothpaste	75 %
Soap	75 %
Sewing machines	50 %
Quartz wristwatches	50 %
Two-in-ones	50 %
Refrigerators	33 %
Washing machines	33 %
VCRs	33 %

Source: NCAER

Chart by B.K. SHARMA

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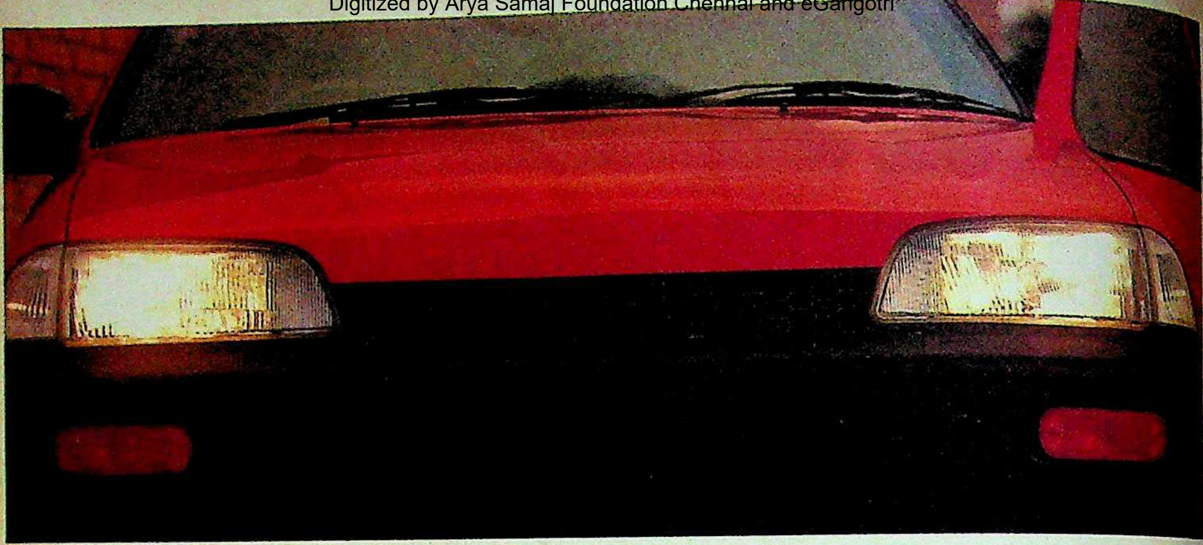
34 DESTINATIONS
WITHIN MALAYSIA



WHY YOU SHOULD CHOOSE YOUR COOLANT AS CAREFULLY AS YOU CHOOSE YOUR CAR.

Your car is amongst your most precious possessions.

You've chosen it with a lot of care.

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You never compromise on the engine oil, brake oil or tyres you use in it.

Or the mechanic who repairs it.

But what about the coolant you use?

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Remember, a good coolant is something you should choose very carefully.

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Because a good coolant is much more than just a replacement for water. It helps protect your car's radiator against heat, rust and corrosion, thereby, not only reducing your car's maintenance bills but also the fuel consumption. Not to mention the years it can add to your car's life.

Yes, a simple change of coolant can do wonders for your car.

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1. *It protects your car against the heat.* With an extra high boiling point at 175°C, Sun Cruiser can help your car brave the ravages of the scorching sun without ever requiring you to look at your temperature gauge.

2. *It protects your car against the cold.* Sun Cruiser comes to your rescue in the extreme cold too. Because it has an extra low freezing point of – 43°C which does not allow the water in the radiator to freeze.

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So make sure the next time you need a coolant you choose carefully.

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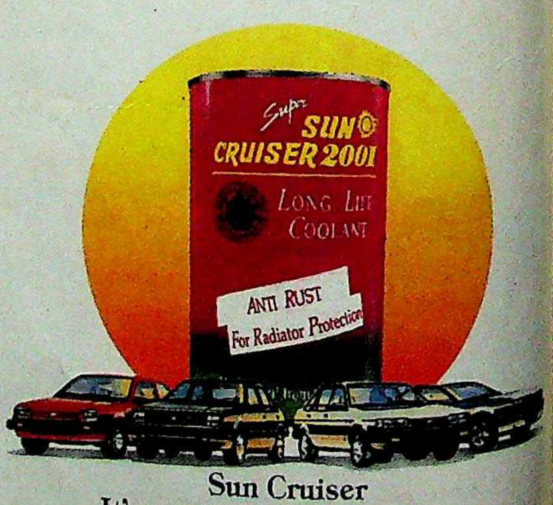

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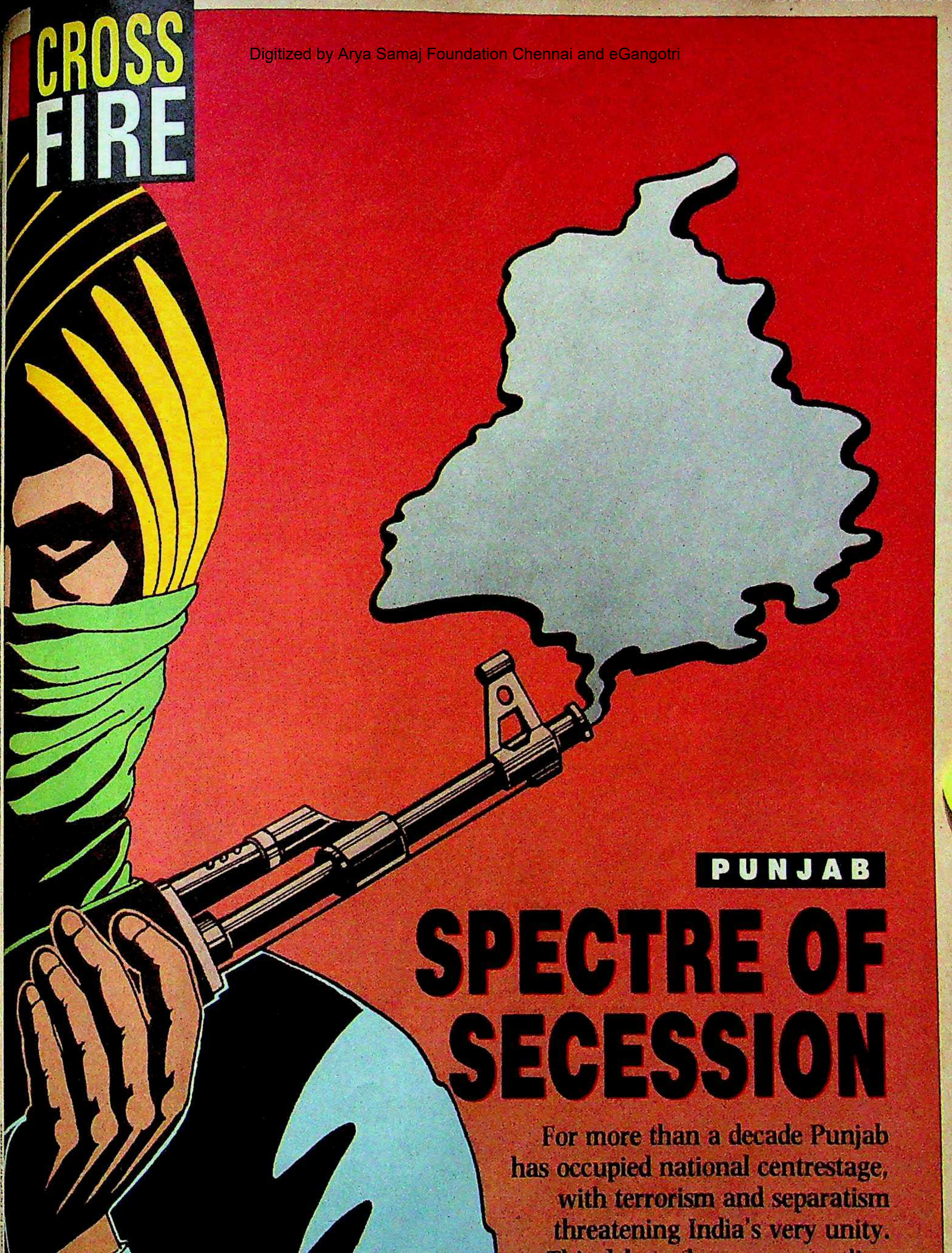

PUNJAB

SPECTRE OF SECESSION

For more than a decade Punjab has occupied national centrestage, with terrorism and separatism threatening India's very unity. This debate throws up startling revelations of the blunders, falsehoods, and politicking that have brought Punjab to a crossroads where the options are narrowing dangerously.

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Key players and observers of the Punjab scene focus on the seemingly intractable problem in this remarkably candid debate, which was chaired by Features Editor SHEKHAR GUPTA *and edited by* KAJAL BASU, *assisted by Nayana Bose. The participants were* **Prem Bhatia, Sat Pal Dang, Govindacharya, Harinder Singh Khalsa, Kuldip Nayar, Subodh Kant Sahay, Vasant Sathe, Amarinder Singh, Dilbir Singh and Sukhjinder Singh.**

WHO IS TO BLAME?

Prem Bhatia: Mrs Gandhi once called me and asked about Punjab. The Anandpur Sahib resolution was circulating, but Khalistan was not very much of an issue. I told Mrs Gandhi, "There is at the moment a list of grievances which the Sikh community entertains, and it is a small bundle. I suggest you open this bundle. Appoint a commission. The grievances are quite obvious. If we can, let's solve them. At the moment, it is a bundle which is tied with a string and if you don't open it, the bundle will keep growing." Believe me, this is what has happened. Efforts have never been made with a clear head. It is a bit late in the day. In fact Mrs Gandhi told me, "Do you think I can hand Punjab over to a community which shares common borders with Pakistan?" The Hindus are not without blame either. Once a senior RSS leader came to meet me. I pleaded with him, please stop harping on this theme that the Sikhs are Hindus. The Sikhs resent this. He agreed. But the next day he went out and did just the opposite. Whatever the deeper causes, the three turning points in recent history were the dismissal of the legitimately elected Badal government by Mrs Gandhi in 1980, Operation Bluestar and then the dismissal of the Barnala government.

The Punjab tangle is the result of a complicated set of factors, including the mixing of religion with politics, Central machinations, vote-bank politics and ostensibly economic grievances.

Militants on guard at the Golden Temple: religious vigilance

PRASHANT PANJIAR

Govindacharya: The problem has been the cumulative result of multiple factors, not merely political but also socio-psychological; an urban-rural, perhaps farmer-trader complex at the psychological level. The minority syndrome complicates the vision. And the problem has been the strengthening of the identities based on language, caste, and religion. When these identities try to get a share of political power for social progress, sectarian feelings overpower their psyches, blurring their vision. It is fortunate that the common bond of heritage has still kept the nation—or at least parts of it—united.

Pran Chopra once said that the turmoil of Punjab is the result of the "foolishness of the Akalis and wickedness of the Government". Similarly, Prabhash Joshi once said, "*Shastra aur shaastra ka mel satta ki rajneeti mein ghaatak parinam lata hai*" (Mixing scriptures and arms is suicidal in politics). It is a wise thing to regard the Sikhs as a part of the Hindu community because together they constitute one nation.

Bhatia: But the Sikhs say that they are a separate nation.

Govindacharya: If India has to survive as one nation, we must have assimilation based upon mutual respect, not merely tolerance, as far as religious faith is concerned.

Amarinder Singh: It's a question of understanding the Sikh psyche. Certainly the Sikhs believe that they wish to have a separate identity. Unfortunately, from 1980, the adamant attitude of the Government in not wanting to do anything right up to 1984 led to the complete negation of the efforts made by the moderate faction. In 1978 the Anandpur Sahib resolution was written off as a seditious document. But by and large the issues raised were all primarily economic. Our traditional avenues of employment were being blocked. But the Centre thought: if we give water to Punjab, we lose the Hindi belt. If we give water out of the Narmada, to compensate Rajasthan, then we'll have trouble elsewhere. If we give water out of the Ganga and the Yamuna to Haryana, then we'll have trouble retaining the 84-85 seats in Uttar Pradesh. Basically, anyone who had to rely on the Hindi belt for power was the Sikhs' *bete noire*.

The demands are basically agricultural. There are not more than 5 per cent of land holdings which probably go over 10 acres. The rest are all marginal farmers, not all of them Sikhs. And they've all suffered equally. Tractor prices, for instance, have risen in the past 10 years from Rs 50,000 to Rs 2.5 lakh. Conversely, you get an AK-47 for Rs 10,000, and in a year you earn a couple of lakhs.

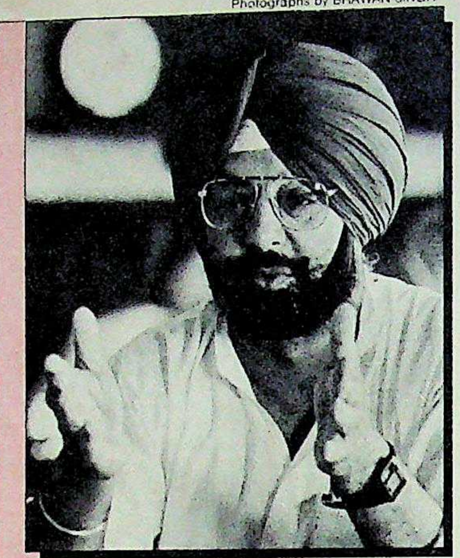
And why shouldn't the Sikhs be frustrated? In 1980, why did the talks break down? It might sound silly now, but the Government refused to rename the Frontier Mail as the Darbar Sahib Express. The talks broke down all in the name of a train! Punjab was sacrificed to vote-bank politics because it only had 13 seats.

Now disgruntlement has changed essentially economic issues to religious revivalism. But it can be resolved even at this stage because today there is a reaction against what the militants are doing.

Sat Pal Dang: Firstly, banding the Sikhs together with the Hindus provides an argument to the separatist that unless he gets Khalistan, Sikhism will be absorbed by Hinduism. But let us not overemphasise this. This refusal is confined only to a small party, the RSS. During British rule, a separate religious identity was forcibly equated with a separate political identity. The present turmoil in Punjab, since the last 13 years, is also due to the external factors. Symbols of religious revivalism also represent fear. Not everyone is taking to it spontaneously. Similarly, the gurdwaras were built, at least in Amritsar—with which I am familiar—with a particular type of construction, to be ready for use by the separatists during times of crisis. Then, the Green Revolution heralded the emergence of a powerful landlord class, the big majority of them being Sikhs. But wholesale traders and large vested interests happened to be Hindus. Both sections exploited religion to their own advantage. If you study the political aims of those who formulated the Anandpur Sahib resolution, you will find that they reflect the aspirations of the new Sikh landlord class.

River waters, language, every issue in Punjab is eventually communalised. Then there is vote-bank politics. The Congress(I) brought Bhindranwale into politics, and the Akalis took him to the Akal Takht. Both wanted to play the Bhindranwale card and the ones who got the maximum mileage out of it were the terrorists. Similarly, unlike in the rest of the country, the language question got mixed up with the politics of religion.

Photographs by BHAWAN SINGH



AMARINDER SINGH
President, Akali Dal (Panthick), agriculture minister in Barnala cabinet

"It sounds silly but in 1980 the talks broke down as the Centre refused to rename the Frontier Mail the Darbar Sahib Express."

■

"Chandra Shekhar asked me: 'How do you know Pakistan is involved? Aren't we involved in Sind?' I lost my shirt: 'Do you think AK-47s are made in Mandi Gobindgarh?' If nothing works, we have to use force with Pakistan."

But those who argue for Khalistan have to understand that if you have a Sikh majority state in Punjab, what is going to stop the Hindus from demanding a Hindu majority country? A Christian majority Kerala? Or Nagaland? The slogan of Khalistan helps concretise the concept of a Hindu Raj and the slogan of a Ram Rajya validates the demand for Khalistan.

This is not to say that India should not be more federal. If that is not done, it's going to be very difficult to solve a problem such as Punjab.

Govindacharya: We have never advocated a theocratic state. In our view, *rashtra* and *rashtriyata* are two different concepts. Hindutva and theocracy cannot be mixed up.

Dang: Khalistan defines its political aim as *Khalsa ka bol bala*, which means a Sikh theocratic state.

Dilbir Singh: You can't take all these things literally. We Sikhs say *raj karega Khalsa* in our prayers every morning.

Dang: All the controversial questions in the Anandpur Sahib resolution have one thing in common: a theocratic state. You delete that and the rest falls apart.

Sukhjinder Singh: For the genesis of the problem, you have to go back to the pre-Partition days. When Pakistan was carved out in the '40s, the Sikhs were in a quandary. Where should they go? The Hindus and the Muslims got what they wanted. We didn't.

Jawaharlal Nehru even went to the extent of saying: "The brave Sikhs of Punjab are entitled to special consideration." Note this carefully: he said "brave Sikhs", not Punjabis. Both the Hindus and the Muslims wanted the Sikhs in their fold and so Nehru gave them a pat on their back. He did not want India's borders so close to Delhi. So the Sikhs came to India, formed a minority in their own state. They thought they would get a better deal in India. No help was extended to the Sikhs. Rather, they were given much less land than they had in Pakistan.

So we come to one inescapable conclusion. This is not a Punjab problem. It is a Sikh problem. Unless we agree on this point, we can't solve it. Punjabis are not up in arms. The Sikhs are. It is only the Sikhs who are fighting, the Sikhs who are dissatisfied, the Sikhs who have grievances. They are not even in the policy-making apparatuses.

Bhatia: What's their percentage in the all-India services?

Sukhjinder Singh: Doesn't matter.

Bhatia: It does matter. After all, you make your calculations according to the percentage represented....

Sukhjinder Singh: I say you give me the seat of power, the Government, and I'll pacify all the Hindus.

Subodh Kant Sahay: Mrs Gandhi used the Punjab factor to create a new vote-bank. The Akali Dal as a major political party was banking on religious issues. But even for them it was difficult to fight a fanatic religious leader like Bhindranwale. They could not afford to be as fanatical as him and they fell by the wayside. Whenever there is a political vacuum, anarchy takes over and that is what is happening in Punjab today.

The level of Pakistani interference is unimaginable. We are neither prepared for it nor can we fight it politically. Earlier, the British used to interfere in Sikh affairs, now it is Pakistan.

Influencing minority votes has been part of our election strategy. I believe that the questions raised by the Sikhs are similar to conditions prevailing in Jammu & Kashmir where Muslims are being branded as Pakistanis. They say that they fought the war of '48, they discarded Mohammed Ali Jinnah, they fought the wars of '65 and '71 and they were not branded Pakistanis. So how can they be called Pakistanis today? Similarly, it was the Sikhs who were at the forefront in sacrificing their lives for India. The Sikh has never been a beggar, rather he has been one of the primary builders of our industry and economy. Today his credibility is suspect. We don't require a policy, we need good intentions to restore their faith in us.

Sukhjinder Singh: Then why should the army officers be awarded for Operation Bluestar, for capturing an area the size of this room? If you need an army, backed by tanks, artillery and helicopters, to capture a small area, do you think those officers can be termed brave? It's a shame.

Sahay: It is unjustified to talk about officers. They follow orders. It is the political leaders who are responsible.

Sukhjinder Singh: Has the Government punished those who committed excesses? Rather you are decorating them with medals in Ashoka Hall. A balancing act will get us nowhere. Take, for example, the Longowal accord. The prime minister of that day was saying one thing and the leaders of the Punjab Congress(I) were saying altogether different things. The chief minister of Haryana had still different things to say.

Sahay: In Punjab politics the biggest handicap is that the Akalis can never take a stand while talking to the Centre because they are afraid of being branded *sarkari*. Our fight is not with the terrorists alone, it is also with those white-collared bureaucrats who are trying to sell Punjab's struggle in Delhi. Every day they are trading coffins in New Delhi. If we talk directly and honestly to those terrorists who are misguided by certain foreign forces, I am sure they will respond better.

The election process which we initiated proves that those who believe in the democratic struggle are a thousand times more in number than those who don't. These include even those who talk of Khalistan. Unfortunately, the entire process has been relegated to the position it was in 1984. Why? It is argued that if Sikhs win elections they will declare Khalistan in the Assembly. Whosoever thinks like this is participating in designs to cut the Sikhs off from the national mainstream.

Today even if the army is deployed in each house of the state, the fear won't go. There was a call for a three-day bandh. I asked people that in spite of such a massive presence of the army why does the bandh have such an impact? They replied: "When the army moves out in a few days, who will save us from the terrorists?"

As long as the people themselves do not come forward to fight it out, you cannot remove this fear. You give the rights of election to the people in Punjab and they will take on those handful of individuals who have created terror.

Dilbir Singh: I live in Amritsar and I know that the Anandpur Sahib resolution is no longer an issue. It was an issue in, say, 1980-81, and I was one of those who said that the Anandpur Sahib resolution is a political testament, not a sacrament. The issue was that they have been saying *"Sikkhon ka bol bala"* (the Sikhs should call the shots). These are the issues which could have been talked out. It is not such an issue that the Sikhs call themselves a nation. I don't think this is something

SUKHJINDER SINGH

Senior vice-president, Akali Dal (Badal), senior minister in three Akali cabinets

"This is not a Punjab problem. It is a Sikh problem. Unless we agree on this, we can't solve it. Punjabis are not up in arms. The Sikhs are."

"Delhi offers no solution except BSF and CRPF. Mr Sahay's government couldn't send us Rs 10 but it could send in 10 companies of troops overnight."

■

"Give me the seat of power, I'll pacify the Hindus."

VASANT SATHE

Congress(I) leader, former Union minister

"Where the Sikhs are in a majority, they should rule, but within the Indian framework."

"As I&B minister, I told Indiraji, let Bhindranwale's supporters speak on television. She said speak to your colleagues. They said: 'Satheji, you keep out of it. He is our own man. We brought him only to break the Akalis. The day we want we will fix him.' "

dangerous. We could live with it.

During Operation Bluestar, I was one of those who told General K.S. Brar that your army was involved in certain very heinous crimes and he said: "Go talk to the deputy commissioner." They did what normally is done in an alien country. Anyway, we Sikhs can forget what happened during Operation Bluestar and the storming of the Golden Temple, but we can never forget what happened to us in Delhi. We are given to believe that the separatist movement was started after 1947 by a Sikh. It was, in fact, started in 1873 by the Arya Samaj in Chuna Mandi in Lahore, when they started the Shuddhi movement. They accepted that Sikhs are not Hindus. After the Arya Samaj movement, the counter-movement was the Singh Sabha movement, the Chief Khalsa Diwan movement. Today the urban areas of Punjab have been made totally bilingual. How can the Sikhs tolerate it?

Sukhjinder Singh: Again, just to thwart us the Hindus cunningly, with bewitching smiles, disowned Punjabi as their mother tongue. When it came to voting in Parliament, the Sikhs voted for Hindi, not English. But Hindus in Punjab felt Punjabi is a rustic language for the streets, not part of a good heritage.

Further, in the last 25-26 years of Punjab's existence, the Akali Dal was never allowed to complete its term in the government. The Centre would appoint its own governors and reverse earlier government policies. In the last 40 years, the verdict of the people has not been allowed to manifest itself. Chandigarh has been taken away from Punjab. Will the country's unity break if it is handed over to the rightful owners?

Then the excesses. When we were arrested and moved from one part of the country to another, we were denied all freedom. I was moved from Agartala to Tihar Jail and all my belongings were confiscated.

Kuldip Nayar: There is no doubt in my mind that the Punjab problem is a Sikh problem. But Sukhjinder Singh is wrong when he says that they deliberately, determinedly and intentionally threw in their lot with India. *The Indian Transfer Of Power*, a book, says that Master Tara Singh, Giani Partap Singh and Sardar Baldev Singh went to the Viceroy to say that they wanted a separate state. It was left to them to do what they could, or could not. So their feeling was: Look here, it is better to side with India. One Sikh leader, if I recall correctly, was even willing to compromise on the script provided the Hindus accepted Punjabi. The Arya Samajis did not, nor did the Hindus who were representing them, but I'm saying that the Sikhs were willing to go that far. The second watershed was really the Akali movement when Bhindranwale participated from 1980 onwards.

Now, there I think the Akalis are also very much to blame. They did not want non-Sikh Punjabis to participate. They started the movement outside the Amritsar gurdwara because otherwise they could not have got the religious response they wanted. Many Hindus probably would have liked some kind of a Punjabi-speaking state where they could be participants also. We came near a solution twice, once when Sardar Swaran Singh almost settled the whole thing. Mrs Gandhi at the last minute changed her mind, for whatever reason. The third watershed was in 1984, 10 days before Operation Bluestar. We have a Punjab group here which is very active. P.V. Narasimha Rao, who is now the prime minister, called us and said, at the house where he lives now: "Produce a formula." We did, after extensive consultations. Badal, Longowal, everybody, was there, and they even went to the extent of accepting the division of Chandigarh. But this did not happen. So who felt let down? Not only the Sikhs but every Punjabi.

I later checked with General Brar and found that when we had been told to draw up an agreement, the soldiers had already been ordered to move into Amritsar almost a whole fortnight earlier. So you clearly see the skulduggery. And then came the 1984 riots....

R.K. Dhawan rang me up one day two-three days after Operation Bluestar: "I have come with the permission of Mrs Gandhi. What should be done now?" I said: "Please tell her that on the day the army entered the Golden Temple, the foundation stone of Khalistan was laid."

Harinder Singh Khalsa: Excuse me, I thought Sant Bhindranwale had said this.

Sukhjinder Singh: Bhindranwale said it publicly. He said it privately.

Nayar: So please try to differentiate between what the establishment or the Government does and what the nation wants. When I talked to these boys in Amritsar, they said there was a complete loss of faith. But even they conceded that they were *aath aana Hindu* (halfway Hindus).

THE ALIENATION FACTOR

Khalsa: I hate to reduce what was a well-planned army invasion to a high-sounding Operation Bluestar. We have to choose our words carefully if we are to get to the root of the problem.

I was representing India in Norway at that time and there was an ambassador posted in a neighbouring country, and he came to "supervise" my behaviour when the Temple was attacked. I expect he was told by the Government that since I am a Sikh I might take it into my head to do something treacherous. My son, who was then only six-and-a-half years old, used a very dirty word for Mrs Gandhi and said that she was trying to convert our Temple into Jallianwala Bagh. This fellow, who was a Punjabi IFS officer, said: "Don't worry, the Temple dome only has a gold exterior. Sardarji, we will give you four or five kilos of gold and everything will be alright." And I said: "Why do you say 'we' and 'you'?" He had no answer and he left.

Later, the then minister of state for environment, Digvijay Singh, was there, and he had come with a begging bowl for 150 million kroners. That's Rs 450 million. And all for the cleaning of the Ganga. The Norwegian lady who was the minister for environment was told piously that the money was to be used to cater to the religious sentiments of the Hindus. When she asked, "What about the religious sentiments of the Sikhs?" he had no answer. I took him to his hotel and then told him: "Mantriji, be careful about your security." I'm repeating verbatim what he said: "*Yeh (expletive deleted) idhar bhi hain.* We have taught them so many lessons, *Itna mara hai.*" I said: "Who exactly are you talking about?" And he said: "These Sikhs!" After all this, I am so glad that ordinary Hindus and Sikhs have still never got involved at this dirty level. Never. My talk with this minister was on June 16 or 17, 1984, after the violation of the Golden Temple by the army. And my talk with the ambassador of the neighbouring country? I spoke to him around June 5 or 6.

Bhatia: Is he still an ambassador?

Khalsa: Oh yes. He is still a serving ambassador. All of you know him.

Vasant Sathe: I am not here to speak on the Congress' behalf. In 1980, when I was the minister for information and broadcasting, Bhindranwale Sahib had just come on the scene; rather, he was brought in deliberately. I went to Indiraji and told her that I felt a way could be found out. I can invite these *bhai sahibs* on Doordarshan and let them speak out to the whole nation. Indiraji said: "You seem to have a point. But it would be better that you should talk to your other colleagues also." This was her style when she wanted to put something off. When I talked to them, they said, "Satheji, you are an idealist. Why should you give so much of importance to this person? He is our own man. The day we want we will fix him. We brought him only to break the Akalis. You are from Maharashtra. You will not understand. Leave the Punjab problem to us." When it became a cancerous wound, we started regretting it. We have learnt one thing from the British: if you can't solve a problem, let it simmer. Two things will happen: either it will solve itself or it will be worked out. This is the approach we have adopted for all the country's problems.

We call ourselves a *rashtra*, a nation. In a history of 5,500 years, we have never been a *rashtra*, a nation, in the true sense of the word. We became a nation only during the Independence movement. A nation is a people who feel that they are a nation. The definitions of nation and state differ. A state is a people, in political science, who organise law within a definite periphery.

When you are dissatisfied and you feel that your interests can be served easily by taking up narrow issues, then you can find 50 reasons to do so. States were divided on the basis of language. We saw problems in Andhra, Maharashtra, Assam, Nagaland and Mizoram. I believe that if we want to keep Bharat as one then we must become a federal state with a larger number of smaller states. It has been seen that smaller states progress more rapidly because the efforts are concentrated on a limited area. We have the example of Haryana. Punjab was divided and all the three states of Punjab, Haryana and Himachal Pra-

> "I had told Mrs Gandhi: 'The Sikh grievances are a small bundle. Open it. Or it'll keep growing.' "

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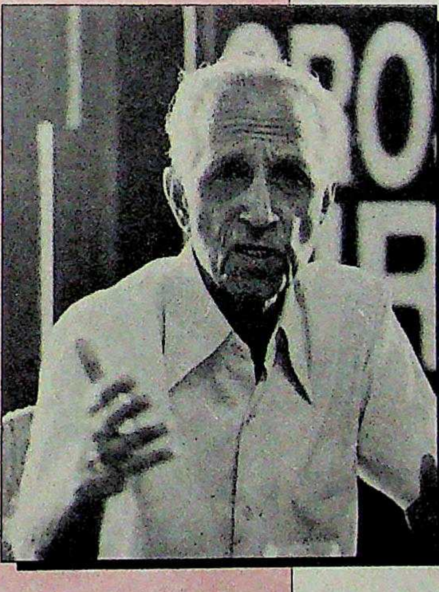
> "The Constitution is outdated. Federalism must come in, or it'll be Punjab today and someone else tomorrow."



> "I asked an RSS leader to stop saying Sikhs are Hindus. The Sikhs resent it. He agreed, but did the opposite the next day."

PREM BHATIA
Former editor-in-chief
of *The Tribune*, Punjab's
premier daily

desh flourished very fast. On the contrary, the area I belong to, Vidarbha, was assimilated in Maharashtra and we kept dragging behind. Tomorrow if there is a movement there, what would be the basis of such a movement? We have no specific identity, nothing which is so special about Vidarbha. But we can find a reason. We can say we are exploited, or something else. What is this nonsense?

Someone said: "How can the land of Ram or Krishna be divided?" This is just a reorganisation of states. I believe the main problem is with the politicians. They think in terms of the MPs supporting them. The main reason is the desire to control power, not the issue of smaller or bigger states. Do you think they care? No principles are involved.

What is the problem in Punjab? Punjabi is written in Urdu script in Pakistan and in Gurmukhi in India. You can write it in Devnagari if you so wish. In all cases, it will remain Punjabi. I belong to Maharashtra. Guru Nam Devji's *Vani* was written in the Modhi script of Marathi, whereas today Marathi is written in the Devnagari script. The Modhi script is very close to the Gurmukhi script. And Guru Nam Devji's *Vani* has been incorporated in the Guru Granth Sahib.

Similarly, the issue of Sikh identity has been raked up. When I read history, I found that in the beginning the Sikh religion was not what it is today. The Sant tradition has been a tradition of rebellion against domination by a particular priestly clan. In this tradition of rebellion, one was what Guru Nanak Devji preached: that the entire human society belongs to one caste.

The word Sikh has its origins in "*shishya*", disciple or pupil, who learns from the guru, who gives them the message of enlightenment and of humanity. Guru Gobind Singh raised an army of dedicated warriors whose main aim was to protect innocent people and fight injustice. The Guru gave them a uniform and an identity. But I feel that this identity should not lead to any confusion. Today, whenever you utter the word Sikh, should it only mean those who keep beards and wear turbans, etc? What about those *monas* who have deep faith in the Guru Granth Sahib and its philosophy? Aren't they Sikhs? Now attempts are being made to make certain rigid rules of dress among the Sikhs. I say that all kinds of identity can be derived in this vast nation. If we want to disintegrate, then no one can stop us. The question is, is remaining one nation to our advantage?

"Ten days before Bluestar, P.V. Narasimha Rao said: 'Produce a formula.' We did, with Badal, Longowal, everybody. Later, I learnt that a fortnight before we were told to draw up the agreement, the soldiers had been ordered to move into Amritsar."

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"A few days after Bluestar, Dhawan rang me up. I told him: 'Tell Mrs Gandhi that on the day the army entered the Golden Temple, the foundation stone of Khalistan was laid.'"

KULDIP NAYAR
Journalist and former high commissioner to London

Dang: I would like to point out that he (Sukhjinder Singh) wants the Congress not to interfere, something I agree with. But he wants the Akalis to have the monopoly to misuse gurdwaras, mix religion and politics, and this is what the Akali Dal has been doing all along. When the Congress does the same, they say it is wrong.

Khalsa: Do you want the Government to ban the construction of gurdwaras?

Dang: Certainly not. I say there has been no political discrimination, no religious discrimination, no economic discrimination. Nehru is being quoted by Sukhjinderji. Would anybody believe that Nehru would stand by a theocratic state? When Tara Singh demanded a Sikh state, he did not have the support of the Sikhs. The Muslim League was able to carry the Muslims with it, but not Tara Singh.

Punjab is not like Kashmir, the difference between the majority community and the minority community is very small. In fact, the Akalis did not demand a Punjabi suba right after Independence, they demanded a Sikh state. I think that is a very dangerous proposition. If you concede a Sikh state, can you then deny a theocratic state in Kashmir, in Nagaland, in Mizoram? We'll fall right into the hands of the RSS and the BJP, who will demand that because India is 85 per cent Hindu, the country must become a Hindu theocratic state. All the minorities, Sikhs, Muslims, Christians, Parsis, even Scheduled Caste Hindus, will become second class Indians. Either India will disintegrate or India will become a Hindu fascist state.

The Government was not going to risk a free and fair election as the result would have been negative. I wish it had not been cancelled just on election eve. It should have been cancelled when the railway passengers were massacred or when the Badal group candidate was killed. But if the election had taken place many people who thought it would have been genuine would have become bitterly disappointed. It would have been like the Assam election in 1983, with people getting 300 or 1,000 votes and winning.

After the Black Thunder Operation, a situation arose where you could have had a free and fair election. The terrorists were on the run. Why can't a situation like that be created again?

Sahay: Can you apply the same yardstick to local

body elections?

Dang: I was probably the only person who pointed out that we shouldn't be drawing the wrong lessons from the corporation elections, which had very good security. In the Amritsar town corporation elections, a certain level of fairness was ensured. But the level of terrorism in Tarn Taran and Patti, for instance, are different matters altogether.

Sukhjinder Singh: This is a waste of time. His (Sat Pal Dang's) political theories will not work now.

Dang: The BJP once stood for unity, national unity, with the progressive position that the states should be states and not like municipalities. Watch and wait, the BJP will finally come around to that position once again. So will V.P. Singh. And so will the Congress(I), which will initially put up the maximum resistance, but will have to come around. This is the public opinion we have to create. The Centre should always be before the party.

Where will all the money for foreign affairs, currency, defence, communications come from? Punjab will have to contribute in the same proportion in which it has representation. It is ironical that now the states have to go to the Centre with a begging bowl. The Anandpur Sahib resolution wants a Centre which will go to the states with a begging bowl.

Nayar: Nobody should go with a begging bowl in India....

Sahay: I think it is unfortunate that whatever your theory about Punjab is, it is not helping the nation to sort out the problem. It is wrong to say that Chandra Shekhar had a vested interest in holding the Punjab elections. And I can say with utmost confidence that we did not discuss the issue with any militant individually but with the supporters of the militants. I want to put this on record.

Dang: Some militants were brought in even from Pakistan for that discussion.

Sahay: That is your information.

Dang: Nobody has contradicted this. All the Punjab papers have....

Sahay: Oh your Punjab press! But if there were so many charges against us—that I was one with the terrorists—then why was my car blown up?

Dang: The papers even printed the names of terrorist leaders who had been brought in from Pakistan.

Nayar: When I was high commissioner in London, I found some people really homesick. They remembered their villages but they hadn't gone there for a long time. The second thing I found was that the 1984 riots had affected just about everybody. It's been seven years, but not a single person has been hanged. After all, 3,000 people died in this city. I told them: "If I cannot get you justice by the end of December, I will quit." Luckily, I came back in November. I talked to them of a federal structure and asked them whether that would be enough. They said no, that they wanted the country to give them a guarantee that their culture, their identity, would be protected. I said that I would get them the support of even the BJP. If you want unanimous resolution in both houses of Parliament, I will get it for you. Will that be enough? They said no, there will have to be some constitutional guarantees. The dialogue, I am sorry to say, was broken because I came back.

The perpetrators of the 1984 riots must be punished. Two, the Rajiv-Longowal accord must be implemented unilaterally. Three, we must hold the election post-haste, without delay, and allow the people to make their own choice, for once.

Dang: One question regarding the election: the two major parties in the fray are the Akali Dal and the Congress(I). The BJP and the Communists are hardly a force to reckon with. To ensure that the Congress(I) can also take part in the elections on a fair basis, the election should be cancelled instead of just being postponed. And a process should be started *de novo* to create conditions for a free and fair poll, preferably before November 10, if humanly possible.

Further, I am all for giving maximum punishment to those guilty of the 1984 riots, but all we've had so far is some of the smaller fry being punished. What has happened to the big fish? What we need is a resolution in Parliament—unfortunately, I do not know the procedure—and also a resolution condemning the killing of innocents in Punjab. Why not go further and have a resolution about, say, Bhagalpur...?

Sukhjinder Singh: There's a lot of misbehaviour and misconduct among the militants. But there is a feeling of inferiority in the hearts of the Sikhs. I'll tell you that if a referendum is drawn up, the militants will have 95 per cent of the votes.

Dang: I think there's a lot in what he's saying.

DILBIR SINGH

Prominent Amritsar-based industrialist, associated with Chief Khalsa Diwan

"The Sikhs calling themselves a nation is not something dangerous. We could live with it."

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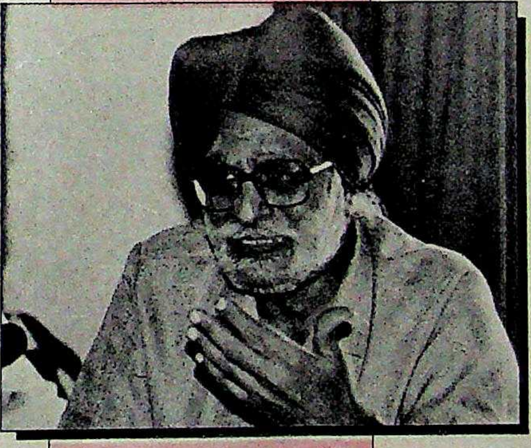
"We Sikhs can forget what happened during Operation Bluestar, but we can never forget what happened in Delhi."



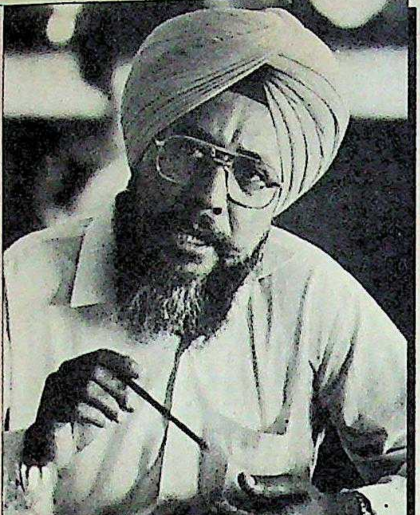
"Urban Punjab today is totally bilingual. How can the Sikhs tolerate it? In the DAV Colleges students speak in Hindi, not Punjabi."

IS THERE A WAY OUT?

Amarinder Singh: I totally disagree with Sukhjinder Singh's perception. Secessionism is on the minds of some of those individuals who are taking part in this struggle. Other than that, the average man in our village is only interested in getting on with his life. My party has fought this entire campaign only on the basis of an economic forum, anti-political. We've had massive support and it is not only limited to Patiala.

But primarily what we think must happen is that fiscal power must be granted, because your economic issues are so diverse, nationally and particularly for us in Punjab. If we had fiscal powers, this militancy could probably be curtailed because the principal backbone of this movement is the educated unemployed. We have 2,40,000 boys every year who are crossing the age of 18-20 years and we can't get them jobs. Secondly, we are underestimating Pakistan's involvement in the whole destabilisation business. It wants an effective Fifth Column in Punjab. After Chandra Shekhar became prime minister, I went and saw him—he had just come back after meeting Pakistani Prime Minister Nawaz Sharif—and I said: "Do something!" He got worked up and said: "Why? Why do you keep saying that Pakistan is involved? How do you know they are involved?" I said I knew because I had been in government since 1985. He said: "So what? We are also getting involved in Sind." And I said: "Perfectly fine, but that doesn't mean that you ignore what they are doing here." I confess I lost my shirt. "Do you think that all these AK-47s are being made here in Mandi Gobindgarh?" He said: "Go away. You don't have to worry. You will be looked after." I said: "It's not myself I'm worried about, and I don't need you to look after me. It's my state!" I don't see how any diplomacy is going to work now. Perhaps we can use leverage with the US. If nothing else works, we have to pose a threat. There is no other alternative.

We Sikhs love guns. It's a part of our tradition, our heritage. Take his land away from him and the Sikh boy will get power through the barrel of the gun. He hasn't got a job so it is very easy to loot a bank or loot somebody else or hold people to ransom and extort money. Putting up fences is not the only alternative and nor is killing people. You remember when Ribeiro was there, he put up a list of 137 A-category terrorists. I'll tell you there are thousands of them. Every time you kill one, it compounds the entire problem.



HARINDER SINGH KHALSA

Indian diplomat in Norway, quit after Bluestar; human rights activist and an election candidate

"Did the Akalis send troops to Parliament, or did the Government send troops to the Golden Temple?"

■

"Punjabis today don't bother whether they are living in Khalistan, Hindustan or any *sthan*. They want peace."

■

"Why blame Pakistan? Pakistan did not attack the Temple nor did it create Bhindranwale."

And the bogey of Khalistan is a symptom of this malaise. Even Sardar Sukhjinder Singh cannot wriggle out of this. In an Akali Dal working committee meeting, he was the one who said that Khalistan is the answer. Blow up two bridges over the Beas, or something like that, and Khalistan will be formed.

Sukhjinder Singh: That is a false allegation. Absolutely false. I never said it. You were not present in the meeting.

Amarinder Singh: I may not have been. But I was told by those people who were there.

Sukhjinder Singh: You cannot take these calls for secessionism so seriously. Khalistan is our own instrument of getting to power.

Amarinder Singh: Basically, it is the double standards being adopted by us in our approach which have egged these youngsters on. After all, this generation has grown up listening to people who are today in the Akali Dal. Simranjit Singh Mann is standing today on a referendum on Khalistan which was set on April 13 in Baisakhi and one month later, each one of his candidates had sworn in the name of God to uphold the unity and integrity of India within the Constitution. Their slogan has been a union of sovereign states, set by him in Jalandhar at a press conference, and endorsed by his party. That was the political plank and one month later he called it off. This means you, Sukhjinder, have got double standards which are ruining our people, our youngsters. These people jump onto Mann's bandwagon when they think he is on the ascendant and when he appears to be on his way down, they dump him. This is no way to hold an election.

Sukhjinder Singh: But what about you? You have changed so many parties. You were a Congressman.

Amarinder Singh: I would still be a

"The Congress(I) brought Bhindranwale into politics, and the Akalis took him to the Akal Takht. Only militants gained."

■

"Khalistan concretises the concept of a Hindu Raj and Ram Rajya validates the demand for Khalistan."

■

"After Black Thunder, you could have had a free election. Create that situation again."

SAT PAL DANG
Prominent Punjab CPI leader, anti-militant activist

Congressman but for Operation Bluestar.

Dang: Who can trust the Akali types? They wear a black turban one day, white the next, then yellow and then blue.

Amarinder Singh: Let's get down to other things. Talks. You cannot talk to anybody. The simple fact in Punjab is that there are four Akali Dals, three students' federations, three panthic committees and umpteen militant organisations. You try to talk to illusions. Satish Sharma, who does not know anything about Punjab, is put in charge of the state and he plays the Rode card. The V.P. Singh government suddenly picks up Atinder Pal Singh, who never lived in Punjab. He has always been from Kanpur and Bhopal. Then, who's going to listen to the Manjit Singh faction, even if he strikes a deal with them? Who cares? I mean, they are not going to listen, I am not going to listen.

Just announce that Chandigarh is our capital. It was made for Punjab. Let Haryana make a capital of their own. Why steal ours? It is illogical to give territory in exchange for a capital. If the Government wants to give money, let it. Or give us the Punjabi-speaking areas. Set up a commission if you have to, but a commission that works like a commission, not like a government department.

There is this difference in perception between New Delhi and the ground reality in the state. Government agencies and the Intelligence Bureau, which feed the Centre with what they perceive as the truth, are totally out of touch. And the Government also depends on Sikhs, outside Punjab, who profess to know what is going on inside the state. I mean, people like General Aurora, Justice Narula who suddenly say call the elections. The Government accepts their statements as the gospel truth. If you don't have faith in us Akalis, at least give us a governor who will feed you a proper reading of the situation. But they were more interested in doing their post-election arithmetic, who they could count on for support in case of a hung Parliament and so forth. We all wanted the election badly, so badly that 24 candidates were shot and we took their deaths in our stride. And still the Government did not provide enough security. It is true that in certain areas like Amritsar and Sangrur and Ropar, voter turnout might have been down to 20 per cent, there was such a lot of fear. Militants were coming out of every gurdwara and threatening people that they would chop their fingers off if they saw the ink marks of voting. But in Bhatinda and Patiala districts, the turnout would have been closer to 60 per cent.

Govindacharya: In my opinion, underestimating the fact that terrorism has grown to the level of insurgency will be self-defeating. Because a common cultural heritage is a great asset, the approach has to be a judicious hybrid of governmental, non-governmental, political, social and cultural understanding. An integrated form of government entails a five-tier system of governance. The devolution of power does not only mean limiting the power to the Centre or to the states. It should filter down to the panchayat, right down to the poorest of the poor Sikh, where the local candidate is one of his own brothers. That is how the BJP has favoured the concept of smaller states. The maintenance and promotion of religious identity is one thing. But it shouldn't be allowed to become a monster of political identity or of the right of self-determination.

No civilised person will disagree that the 1984 riots should be condemned and the culprits should be given due punishment. What we further need to do is adopt a non-partisan view of things and act, if need be, unilaterally, taking politics, social inequities and economic progress into consideration without the trappings of power. We may be better than other political parties, but because of competitive politics there are constraints.

Dang: I agree that Parliament should appoint a committee to amend the Constitution with a view to make matters more progressive. Then the Pakistan connection: neither the AK-47 nor the AK-75 are manufactured in India. I say that the Government should pass an ordinance that all those weapons not manufactured in this country should be handed over in, say, two weeks, and all defaulters should be given stiff deterrent punishment.

Sukhjinder Singh: Does anyone ever get punished?

Dang: Provide the deterrent punishment, have a curfew, and search for those weapons. All political parties which contributed to the raising of the Bhindranwale spectre should admit their responsibility, and that includes the Central Government which granted him power and the Akali leadership which allowed him to go into the Akal Takht and convert the Darbar Sahib into an armed fortress.

Khalsa: Excuse me, did the Akalis send troops into Parliament, or did the Government send troops into the Golden Temple?

Dang: Who defiled the Darbar Sahib

and the Akal Takht? Both the Government and the Akali leadership. As for the rest, I am generally in agreement with Amarinder Singh, although he is a maharaja and I am a communist.

Khalsa: I am neither. I am an ordinary Sikh, not a politician. People today in Punjab don't bother about whether they are living in Khalistan, Hindustan or any *sthan*. They thought they had the right to live peacefully in this country. Now this right is being curbed. When the militants kill someone, the papers blare it out. When the government troops kill someone, it is simply denied. Two months ago, the police killed five members of my family: my cousin, his wife, a three-year-old daughter, two-and-a-half year-old son and my *bhabhi*, at the Noorpur Bedi police station. Nothing has been done about it.

And operations like Bluestar lead to an increase in militancy. The police do not kill non-Sikhs. They make it a point not to. And there is no point in blaming Pakistan. Pakistan did not attack the Golden Temple. And Pakistan did not create Bhindranwale. So let us first set our own house in order. Jingoism will not get us anywhere except into the realm of secessionism.

My suggestion is that instead of raising the bogeys of Manjit Dal and Rode Dal and all that, the Government of India should stand by its so-called commitment to *ekta* (unity) and *akhandta* (integrity) instead of incessantly reaching accords, setting up commissions which have their conclusions predetermined, and harping on the infamous Rajiv-Longowal accord. Instead, the Government should give to Punjab what by right belongs to it, anything short of Khalistan. There is nothing sacrosanct except human life. Nothing.

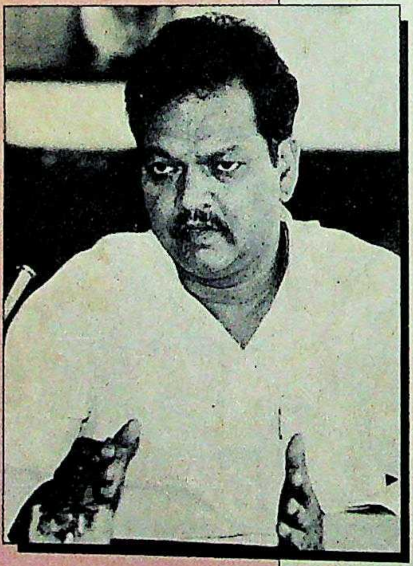
It is immaterial to the people of Punjab that there is a Constitution, they experience no manifestation of it. Or the Government of India should declare that Punjab is not a part of India and therefore not entitled to succour under the Constitution. The first step should be the dismantling of the repressive police structure, which is hand-in-glove with extortionists and terrorists, not, let me be clear, the militants. I am trying to differentiate between the two. They are the ones who have been patronising the death squads who are masquerading as militants, like the ones in Badowal and Raipur where 76 Hindus were killed.

It was in the interest of the police that elections should not be held. Very senior police officials in the state openly say that they do not want elections in the state. All that the Government has been doing—even Chandra Shekhar's government, which was in any case a weak extension of the Congress(I)—is bargaining like a crooked trader. Chandigarh was made for Punjab. In no case will it join Pakistan, it will remain here. The Government should stop appeasing Haryana, since some fanatic Hindu lobby, some fundamentalists, wish to utilise the chasm for their own narrow ends. If this is not done, I'm sorry to say that one day, it will set in motion the disintegration of the country.

"Whenever there is a political vacuum, as in Punjab, anarchy takes over."

■

"The Sikh is not a beggar. He is the builder of our economy. But today, his credibility is suspect and we need to restore faith."



"The governor was told about stopping the poll at 3 a.m. Neither I nor Chandra Shekhar knew."

SUBODH KANT SAHAY
Former minister of state for home in SJP government, and a candidate for Ludhiana Lok Sabha seat

Bhatia: There have to be two parallel processes to untangle the mess: first, the Government has to be pressurised to make the issue top priority; and, second, the Government has to take all the other political parties along with it.

The Constitution has become outdated. Even during this discussion it has come through loud and clear that this country cannot continue to be run on an unitary basis. Federalism has to come in, otherwise it will be Punjab today and someone else tomorrow.

Dilbir Singh: Who do you blame? I don't see anyone totally blameless—the Congress, the Akali leadership. Today, we have eight Akali Dals and seven Sikh students' federations. When Sardar Prakash Singh Badal came out of jail, he frankly failed to give the Sikhs the kind of leadership they had expected of him. I've seen, even in the industry, when there are two unions there are four demands. When there is one, there is one demand. So it's always better to deal with one union.

But there is an issue which the state can go into *suo motu* without going in for many details, and that is the economic package for the state. The packages announced by Rajiv Gandhi and the others have not been of much use. Can you believe that the Central Government investment in Punjab in 1980 was 2 per cent and now it is down to 0.8 per cent? The economic packages are coming in but the national investment on industries is reducing. From Punjab, the banks have borrowed nearly Rs 10,000 crore and have invested only Rs 4,325 crore. Nearly Rs 6,000 crore has been funnelled out of the state. In contrast, Maharashtra has been invested in to the tune of 110 per cent. Give us our own

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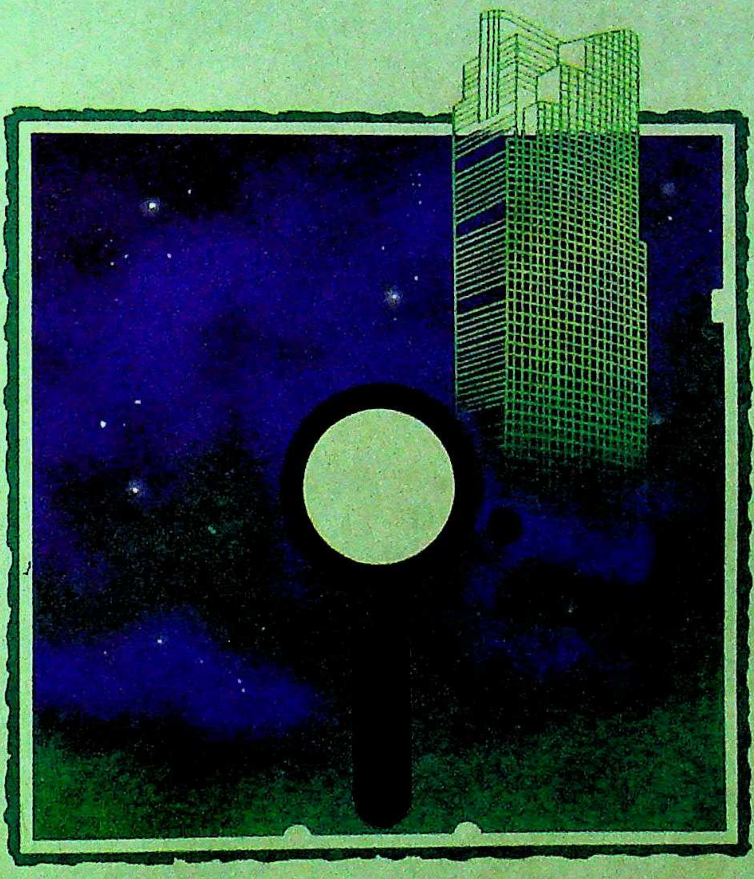

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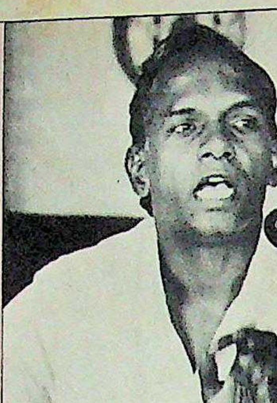
Sukhjinder Singh: But what can the Government do when it doesn't even have enough money to give salaries? It has to sell its gold! Look at the tragedy. The caretaker government of Sahay couldn't send us Rs 10 if we were desperately in need. But it could send in 10 companies of troops, overnight, by special flights. All the Government can offer us is companies of troops. It offers no solutions except the CRPF and the BSF. Though we raise the banner of 'unity in diversity', we follow exactly the opposite of this. We are just going on and destroying the diversity in order to achieve the unity.

Dilbir Singh: See how the common peasant suffers. The militants say, "Grow sugarcane", as they can hide in the cane fields and the police say, "Don't". So this time, we didn't have enough sugarcane. Crushing stopped on January 15 when it should have gone on till March 30.



GOVINDACHARYA
BJP general secretary, ideologue and a key voice in party's policy-making circle

> **"India's survival depends upon religious assimilation based on respect, not mere tolerance."**

Sathe: I say just forget it, because it is not going to be settled. There is already so much bitterness and so much water, rather blood, that has passed under the bridge of amity. I simply say that wherever the Sikhs are in a majority, they should rule. Accept such a state. Create a federal system in a larger context and give greater autonomy to the states. I sincerely believe that if India disintegrates then all of us will perish. No one will survive. No one.

Listen. I have already said it in Parliament. Whether it is someone in Tamil Nadu or in Bodoland, if one says that one is not a national of this country or that they want to secede from India, my answer to such people is that if you say you are not a citizen of this country then you have no place in this country. Get out. Join hands with Pakistan, raise an army, start a civil war, fight and whatever chunk of the country you can win, take it with you.

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There is no other way. If you want to live in Hindustan and accept the citizenship of Hindustan then you can have whatever you want. You don't need a gun to achieve this, just the ballot will be enough. Name a Sikh state and I am willing to concede. The only thing I'd say is, listen to reason, that will save this country.

My party was afraid, or is afraid, that if elections are held in Punjab, they, the militants, will get a majority. And in that case, if they pass a resolution that from today onwards we declare ourselves a separate country—it has already happened in Lithuania, in Yugoslavia—what will you do? If they go to the UN with an appeal that they are an elected government and have declared themselves a separate state and that this India of Hindus is attacking them to curb their freedom and keep them under their control, or if Pakistan comes to their assistance and the UN also accepts their plea, you have a monster of a problem on your hands. Khalistan is not a part of India.

Sukhjinder Singh: No, no, I said change the name....

Sathe: They are not happy with just a change of name. They want secession from India.

Sahay: The basic problem is, who to take into confidence. The Assam elections in 1983 are being touted as an example. Why not take the present Assam elections into account? The ULFA had been killing people by the score. Then they reached an agreement that the elections would be conducted peacefully and there have been no murders since March. Why can't we take the people of Punjab into similar confidence?

If you want to stop elections, you must justify President's Rule. It is a fact of corruption that some secretaries have become chairmen of 10 corporations and have a vested interest in opposing elections. The civil administration has collapsed.

We had no political motives. The SJP was not going to install its government in the state. The Election Commission's decision to stop elections just 24 hours before the due time was unfortunate. This decision has demolished the biggest institution of our democratic process. The governor was telephoned at 3 o'clock at night. I was the home minister at that moment. But I did not know about it. Even the prime minister did not know about it. If the election commissioner takes a decision in the name of a government which actually does not exist, then I must ask, what signals do you want to send to the people of Punjab? Now, a process of normalisation, of fraternisation, should start immediately. This will be a proper signal—the only way out.

> "I feel it is wise to regard Sikhs as Hindus because together they constitute one nation."
>
> ■
>
> "The promotion and maintenance of religious identity is one thing. But it shouldn't become a monster of political identity or of the right to self-determination."
>
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Substance Over Style

With the new prime minister there is more of decentralisation, a relatively easier pace of work schedule and absolutely no reliance on coteries of any kind.

By ZAFAR AGHA and BHASKAR ROY

"RAJIV was assertive, PV is aloof." "PV is respected but not held in awe. He can explain or clarify a point but not inspire." "Under Rajiv we were a cohesive team and all ministers were scared of him. Now the central command seems to have collapsed with every minister enjoying autonomy." "Rajiv was impulsive, often abrasive but could motivate his followers. He could work till 3 a.m. This man retires at 11 p.m."

SUCH varied comparisons from the prime minister's colleagues and aides, many of whom had also worked under Rajiv Gandhi, flow fast and furious as P.V. Narasimha Rao begins his second month in office.

The differences are stark. The breathless pace of work, the long hours and the impromptu midnight meetings with ministers that marked Rajiv's era are gone. Notwithstanding the fact that Narasimha Rao is now in the midst of steering the nation into uncharted seas, the pace of work is less frenetic. The most striking change is the feeling of autonomy in the air, of big brother not watching anymore. Narasimha Rao has brought with him a release from the vice-like grip that bureaucrats and backroom boys in the PMO once exercised over every ministry. Senior colleague Arjun Singh describes his style as "consultation with action". The new prime minister, colleagues agree, wants them to find their own way. Most of them have not experienced any interference from their chief—but it is precisely such freedom that takes getting used to.

Having picked a cabinet mostly of his own choice, slowly but surely Narasimha Rao is also manoeuvring his way to his distinct style of management.

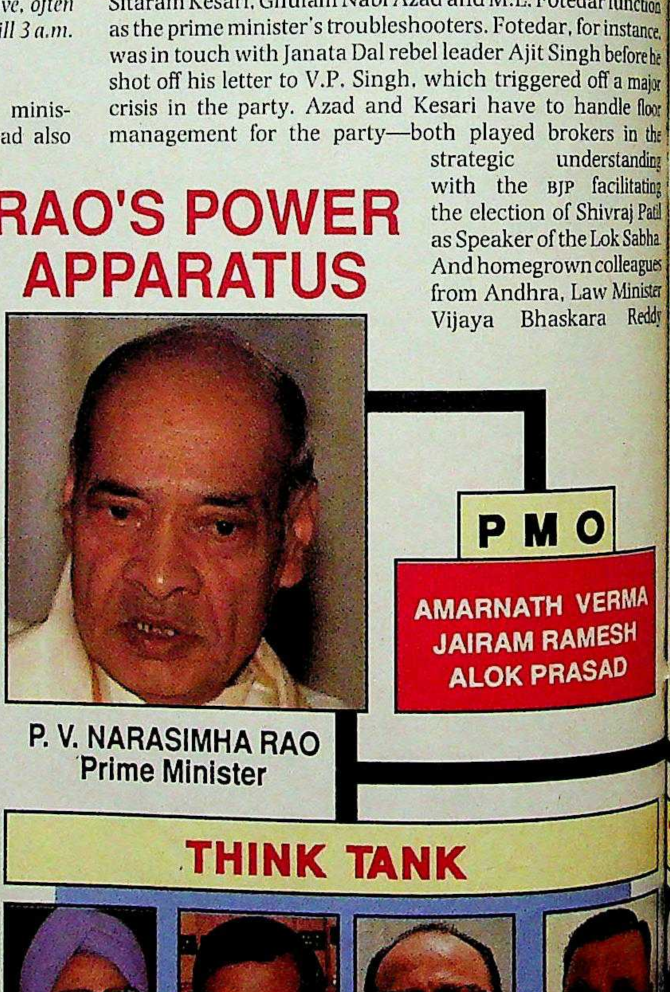
He has also entrusted crucial tasks to chosen colleagues. For instance, old friend, Home Minister S.B. Chavan got the thankless task of handling the terrorist-ridden states of Punjab, Jammu & Kashmir and Assam. Once delegated, the responsibility largely rests on his colleagues' shoulders.

The decisions, though taken circumspectly, are quick. As Arjun Singh puts it: "Once he makes up his mind, he does not hesitate." And "unlike most people of his age-group", says colleague Margaret Alva, "he is not hostile to new thinking and ideas. He wants to keep up with the changing situation." It is here—as he demonstrated in his piloting of the economic reforms—that his vast administrative experience helps.

Yet the prime minister is a quintessential, old-world politician, wary of notes and policy papers from senior officials, choosing instead to depend on earthy and intuitive politicians. Ministers Manmohan Singh, P. Chidambaram, Arjun Singh, Chavan constitute his think-tank—all were closely consulted in shaping the new industrial policy. But unlike Mrs Indira Gandhi, a kitchen cabinet is not his cup of tea.

Others too have been given their turfs. Leaders like Sitaram Kesari, Ghulam Nabi Azad and M.L. Fotedar function as the prime minister's troubleshooters. Fotedar, for instance, was in touch with Janata Dal rebel leader Ajit Singh before he shot off his letter to V.P. Singh, which triggered off a major crisis in the party. Azad and Kesari have to handle floor management for the party—both played brokers in the strategic understanding with the BJP facilitating the election of Shivraj Patil as Speaker of the Lok Sabha. And homegrown colleagues from Andhra, Law Minister Vijaya Bhaskara Reddy

RAO'S POWER APPARATUS



and veteran Andhra Pradesh MP Baga Reddy, act as his eyes and ears. Vijaya Bhaskara Reddy—who spent the greater part of the past fortnight in his home state—has the added responsibility of looking out for a 'safe' parliamentary seat for the prime minister. Both essentially function as contact men between the premier and his party MPs, most of whom are from the south, as well as other parties, most notably the Telugu Desam.

But the complexities of the maze that is the country's politics can be forbidding. Although Rao can understand the importance of change, he cannot convey its urgency to the party worker. The Congress rank and file is yet neither committed nor motivated enough to back the sweeping economic reforms. Most of them can still be manipulated by potential dissidents into believing that the new policies are a deviation from Nehruvian ideals. And the gap between the ordinary Congress(I) worker and the intellectually-inclined prime minister can only grow. With no Gandhi grandeur, attractive wife or charming children to dazzle the workers, carrying the shambling structure that is the Congress(I) will be tough. Although Narasimha Rao is respected, he does not wield the command that Rajiv Gandhi did.

> **Though Rajiv was abrasive, he could motivate his followers. Rao, on the other hand, while respected is not held in awe and does not inspire.**

BUT trouble from the bottom of the heap is not the only kind he has to contend with. Both Minister of State for Labour K. Ramamurthy and Fotedar protested vehemently against the industrial policy. But Narasimha Rao demonstrated his ability to handle them shrewdly. Making minor alterations, he first got the policy approved by the entire Council of Ministers and then moved the party working committee to endorse it. As a senior Congress(I) leader described it, it was a "brilliant move". If the leaders want to press their protestations now, they will be forced to go up to the AICC(I) to get the working committee's policy repudiated.

Revamping the party organisation, especially in states like Uttar Pradesh and Bihar where the Congress(I) was routed, should be high on his agenda. But there is no talk of either his quitting the presidentship of the party or organisational elections occurring. Should elections take place now, it would need a major reorientation of party discipline for legislators to accept the hegemony of party office-bearers. As a senior MP from Rajasthan says: "Perhaps it is not wise to accept the proposition that those elected in the party polls should be given greater say than those elected by the people."

Amidst such a not-so-congenial atmosphere, it is little wonder that Rao is building his own version of a parallel team. While the PMO's brief has no doubt been curtailed and it is unlikely to become a nodal agency between ministries, Narasimha Rao has sought succour in carefully packing it with handpicked men.

Amarnath Verma, fast acquiring the reputation of being Narasimha Rao's P.C. Alexander—he is said to be his nominee—is the prime minister's principal secretary. Narasimha Rao depends on him. He is the first person to brief him and the last the prime minister sees before leaving office. With him rests the power to hand out the prime minister's appointments.

His private secretary, Alok Prasad, a young IFS officer who worked under him in the External Affairs Ministry, is the second big man in Narasimha Rao's office. He is keeping the seat warm for Ramu Damodaran, a Rao favourite, who is likely to return from his UN assignment in September. And Jairam Ramesh, who had earlier worked with telecommunication czar Sam Pitroda and was Narasimha Rao's key man during his election campaign, has been appointed officer on special duty (OSD). Ramesh crafts the prime minister's speeches and keeps a watch on media matters. He was the one who drafted Rao's television address to the nation, earning a pat on the back from his word-choosy boss.

There are more of the premier's men: another OSD, R.K. Khandekar, has been working with him for the past seven years. Gilt-edged godman Chandra Swami's associate, Pinaki Mishra, often drops in, and is expected to find a post soon.

By and large, however, he has not disturbed the bureaucratic bosses of his middle kingdom by any major shuffling of secretaries. "The prime minister does not want to send panic signals to the bureaucracy," says a secretary in the Government. And here Narasimha Rao can be stodgily stubborn. A "coterie" member tried to replace the finance secretary with a favourite of a Bombay industrial house—to no avail. Delhi Lt-Governor Markandey Singh is also staying on despite intense pressure from party leaders like Romesh Bhandari and H.K.L. Bhagat.

Narasimha Rao may have no personal loyalists from the cream of the Congress crop, but he is making sure he survives on the support of an interdependent network of the old and the new—a fitting testimony to the dictum of continuity in the midst of change.

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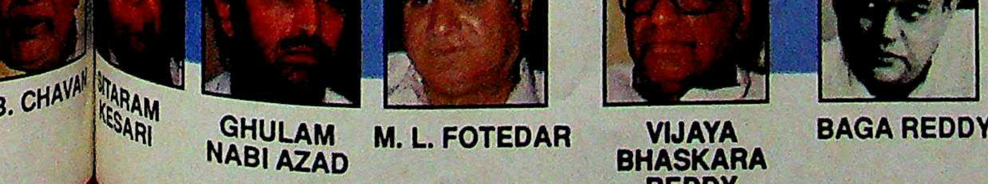
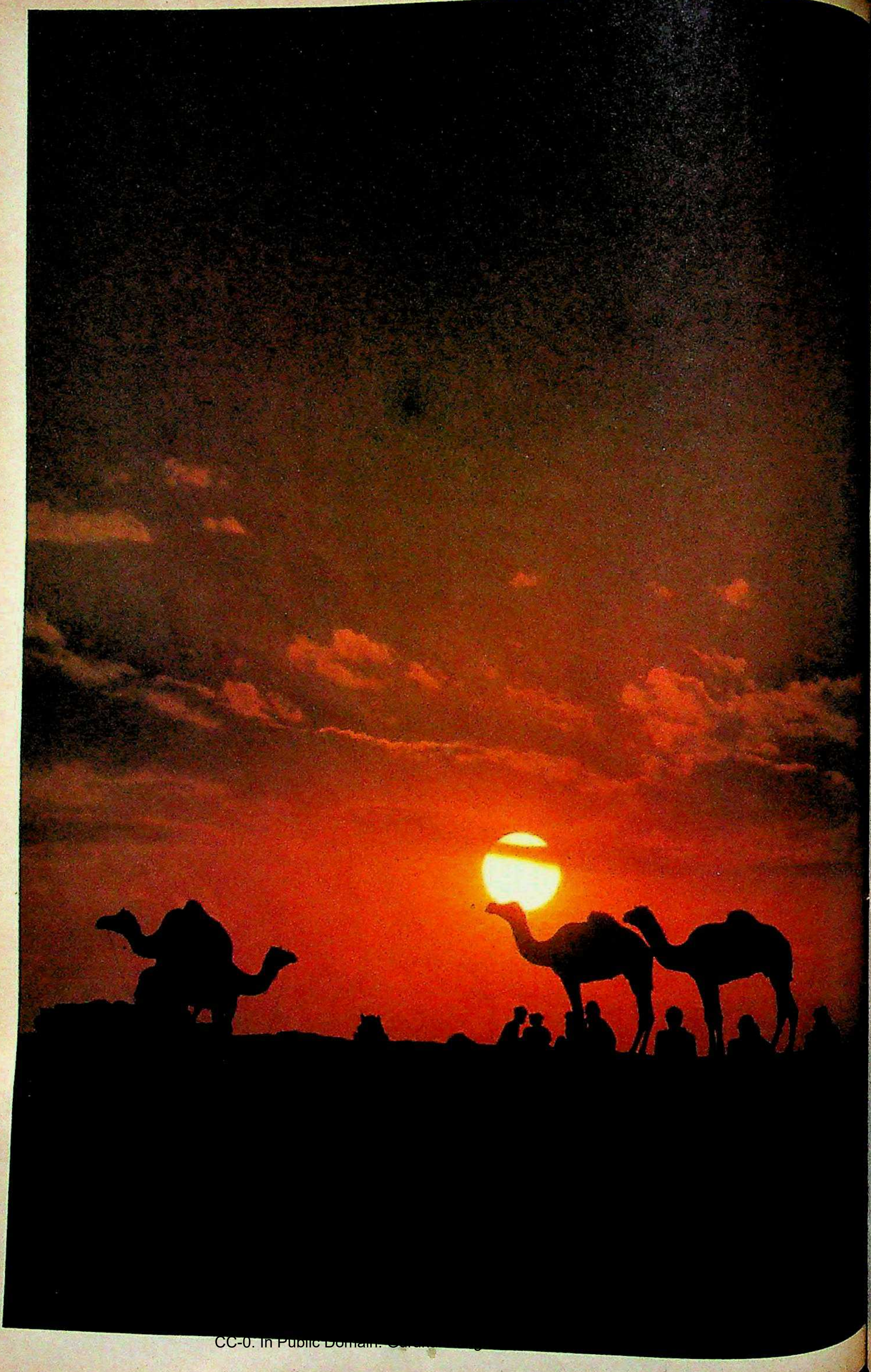
Chart by B.K. SHARMA





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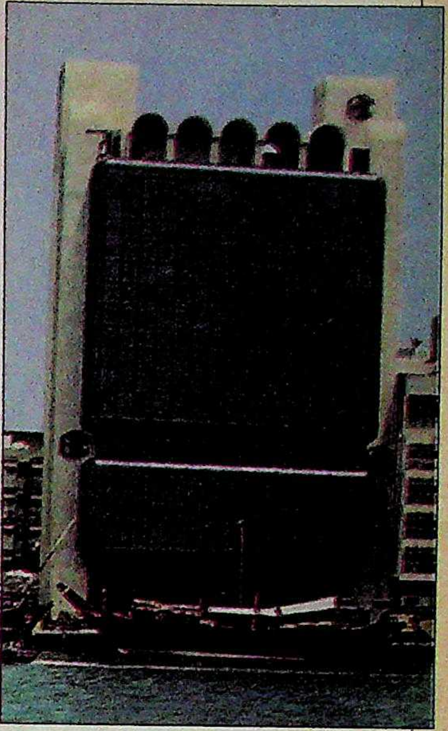
BCCI

A Disastrous Dividend

Bank's closure spells ruin for Asian businessmen



Sheikh Zayed bin Sultan al Nahyan (left); BCCI in Abu Dhabi: in the dock

COURT Number 35 in the Royal Courts of Justice on London's Strand was packed with jostling Asians last fortnight, when the Bank of England unsuccessfully sought a petition to wind up the discredited Bank of Credit and Commerce International (BCCI). Finally, the usher had to put up a "Court Full" sign. "I've never seen anything like this," remarked a British journalist.

Southall's teeming Punjabi population will agree. Swinder and Puspinder Khandpur's problems are typical. It took them 21 years to build up their £5m (Rs 21.85 crore) clothing and jewellery business. Today, they've been reduced to taking cash from the shop to feed their three children. "All our property is guaranteed against loans with BCCI," says Swinder. London's rag trade is also reeling. Hanwanthbir Chadha, 45, who is the president of the local traders' association, heard the news when a supplier returned a £2,500 cheque. When the bank closed, he had tens of thousands of pounds of cash locked inside. "I am appalled. For over a decade, the BCCI has been a friend of our community, always ready with advice and finance."

Even those who did not have money in the bank are in trouble. In Leicester, Narshi Hira has a grocery store. But now that his grown-up children have left home, he wants to sell the shop and retire. However, he has an overdraft from BCCI and cannot sell the property since the bank possesses the deeds as collateral.

Former Pakistani test cricketer, Mushtaq Mohammed, 47, who lives in Birmingham had put his £30,000 life-savings into BCCI. He also invested £50,000 on behalf of his mother and friends. Says Mohammed: "When I was playing the money was not great. But I managed to put some aside for a rainy day. I am shattered."

Keith Vaz, Labour MP for Leicester East, and economist, Lord Meghnad Desai, are taking up the cause of the Asians in both the House of Commons and the Lords. Says Vaz, who is the only Asian in the Commons: "A quarter of the community has been affected in one way or another." He suggests India strongly support the Abu Dhabi Government's attempts to rescue BCCI.

But the closure of the bank is not just an ethnic issue. Revelations that the British security services were aware that terrorists like Abu Nidal had banked with BCCI's London branches turned the affair into a political scandal. There are even reports that Pakistan's nuclear programme was being financed through BCCI.

"A quarter of the community has been affected in one way or another."
KEITH VAZ, *Labour MP*

Meanwhile, Leigh-Pemberton, the embattled governor of the Bank of England who took the really crucial decision to close down BCCI, has been the target of a fierce public attack by the Abu Dhabi ruling family. It took out full-page advertisements in British newspapers to condemn his action in shutting down BCCI without consulting Abu Dhabi.

But this cannot deflect attention from the fact that there was something rotten in the state of BCCI—a global operation which stretched to 69 countries and employed 12,000 staff. Former senior BCCI executives in London drew salaries ranging from £60,000 to well over £100,000, enjoyed lavish life-styles and entertained favoured clients with escort agency girls.

Essentially, BCCI operated the Robin Hood principle in reverse: it took deposits from small people and passed it on to the mega-rich. Some of them were wheeler-dealers in arms and drugs who obtained loans running into hundreds of millions of pounds. The auditors, Price Waterhouse, who vetted BCCI accounts since 1972, were unable to detect the fraud until a group of sacked BCCI staff blew the whistle.

These revelations are likely to bring international banking practices under unprecedented scrutiny.

—AMIT ROY in London

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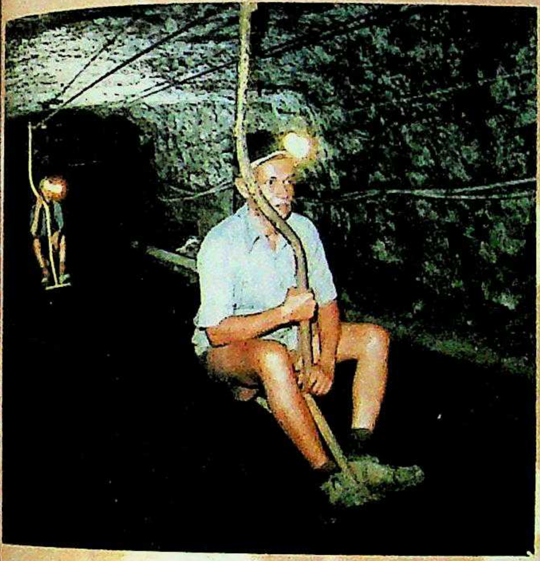

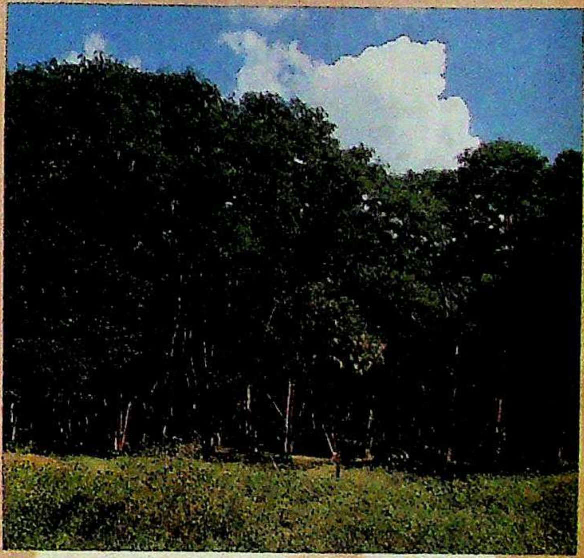

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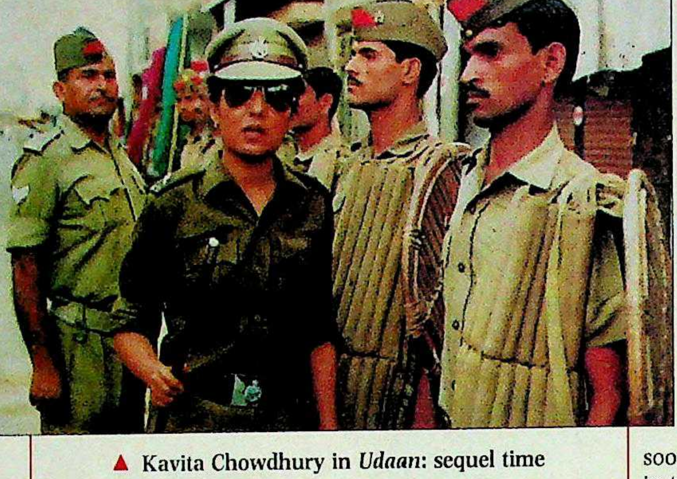
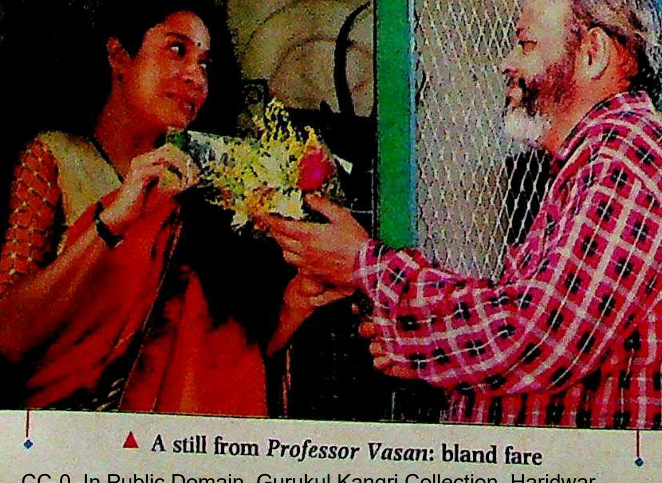
CIL/1/11

◆ The days of blacklisting are here again. Now it's the turn of "leftist" economists to be kept off the small screen. The IMF has become such a sensitive subject—the Government's current Achilles' heel—that no criticism of the loan will be allowed. But this time the Government has a verbal list of "approved" economists rather than a list of outlawed ones. While most on the list are quasi-governmentwallahs, there are a few exceptions: Kaushik Basu, journalists T.N. Ninan, Swaminathan Anklesaria Aiyar and Jay Dubashi. What triggered the censure was a heated discussion last fortnight during which economist Prabhat Patnaik went the whole hog in his criticism of the IMF loan. Apparently, Finance Minister Manmohan Singh, who was also on that panel, later told I&B Secretary Mahesh Prasad that such criticism of the Government was not on. At least not until the budget was over.

◆ Ajit Panja started out by tom-toming the Congress(I)'s manifesto pledge for a private channel on television. The I&B minister even talked about seven organisations which were keen to run it. However, he kept the names secret. Even his ministry officials are at sea about it. There is talk about a parallel broadcasting system with its own infrastructure which would cost at least Rs 2,000 crore. With such big money involved hectic back-door lobbying with the minister is on to get in on the ground floor of this project; and several business groups are making alliances with media organisations for a slice of this luscious pie in the sky. Chances are it'll all be just old DD in "independent" clothing.


▲ Kavita Chowdhury in *Udaan*: sequel time

► Ajit Panja: behind-the-scene


▲ A still from *Professor Vasan*: bland fare

◆ Part I didn't make it, but Part II will. Simi Grewal's film on Rajiv Gandhi in the Opposition will soon be shown—probably in three segments—to coincide with his birth anniversary. The first part, which had Rajiv as prime minister and touched on his personal life, was shown on the video network.

◆ DD seems to be turning nostalgic. The famous Laliltaji who sold both soap and soap opera equally—and in the process became a TV icon—will shortly be back in a sequel to *Udaan*. Called *Udaan 11*, it has actress Kavita Chowdhury—who directs and acts—waving her police woman's baton. Women directors are making their presence felt on the little screen. In addition to *Pukar*, co-directed by Reeta Sethi, there's Mohena Singh's *Professor Vasan*. Though the suspense never kills, there's compensation in the exposes of contemporary corruption. What makes it intriguing is that it's made in Bangalore by Bangaloreans and with Bangaloreans, but in Hindi. Hence, the slightly off accents.

—MADHU JAIN

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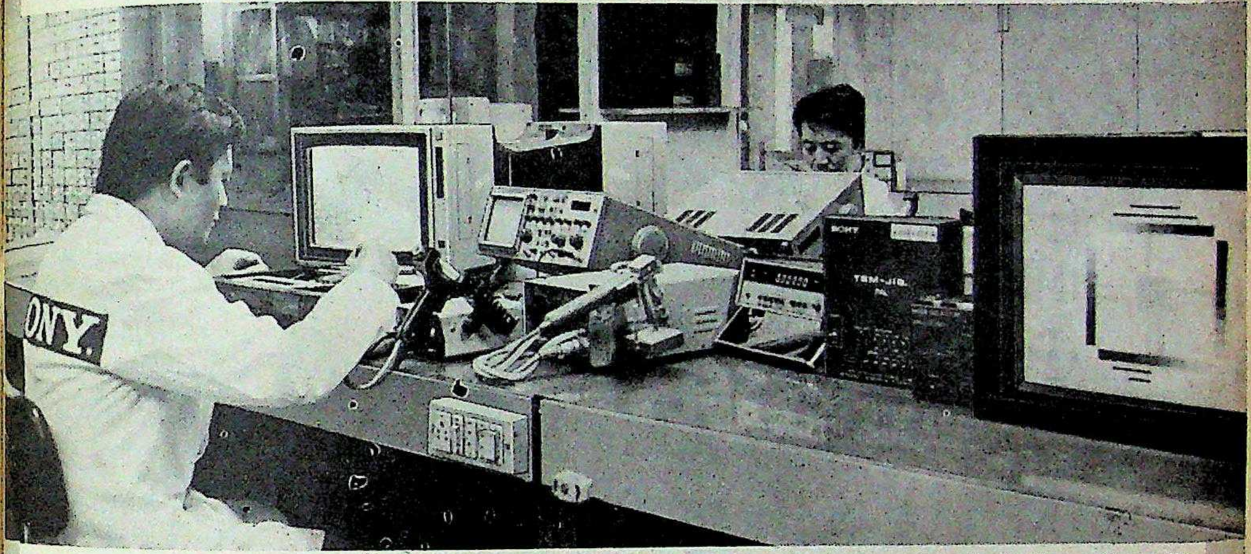

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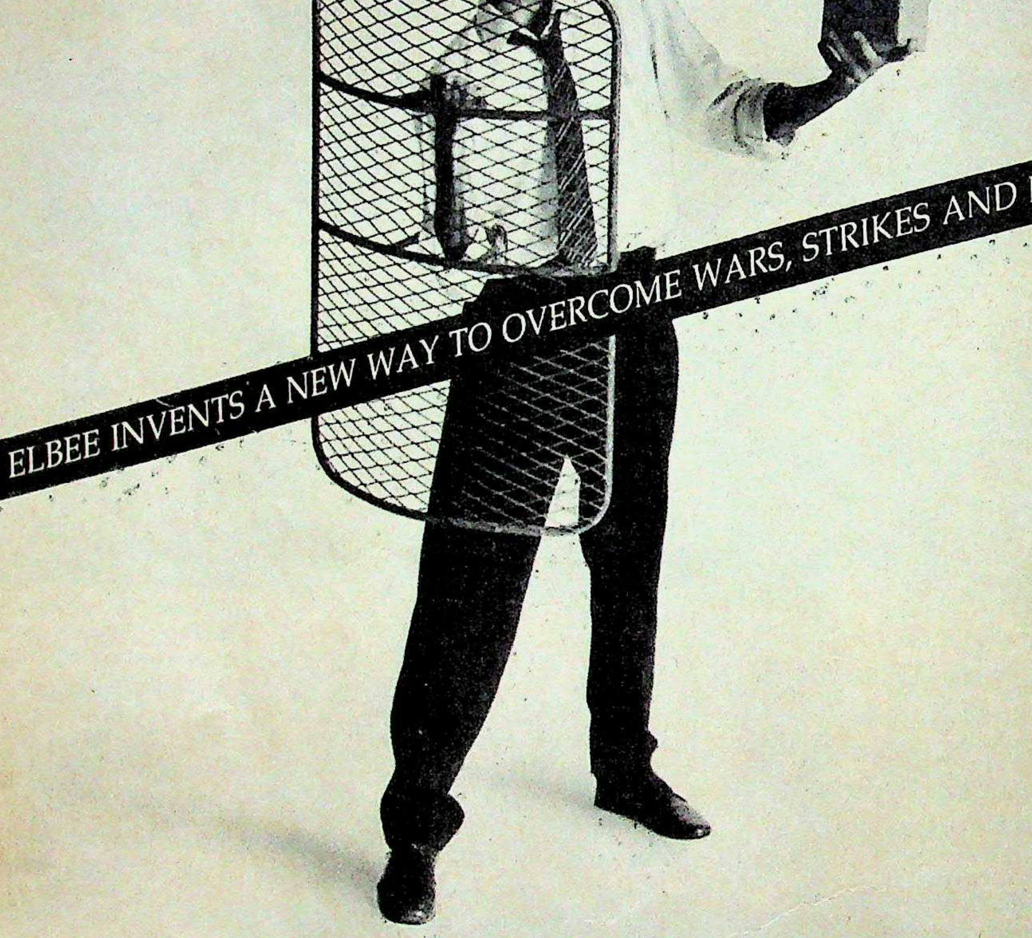
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VICTORIA MEMORIAL

A Restorative Touch

Experts attempt to salvage rare paintings

CALCUTTA'S sprawling Victoria Memorial is currently a beehive of artistic activity. For the last few weeks a team of experts has been painstakingly working to restore the memorial's art collection of about 450 rare paintings which have been appallingly discoloured and warped with the ravages of time.

Sponsored by the Human Resource Development Ministry, the tedious restoration project will last till 1995. Which is why it is going to be a transcontinental effort. The first step towards it was the setting up of the Calcutta Tercentenary Trust by Allan Tritton, the director of Barclay's Bank. The trust—with Princess Alexandra and West Bengal Governor Nurul Hasan as its patrons—plans to raise a whopping £1 million (Rs 4.2 crore) for the restoration of the paintings.

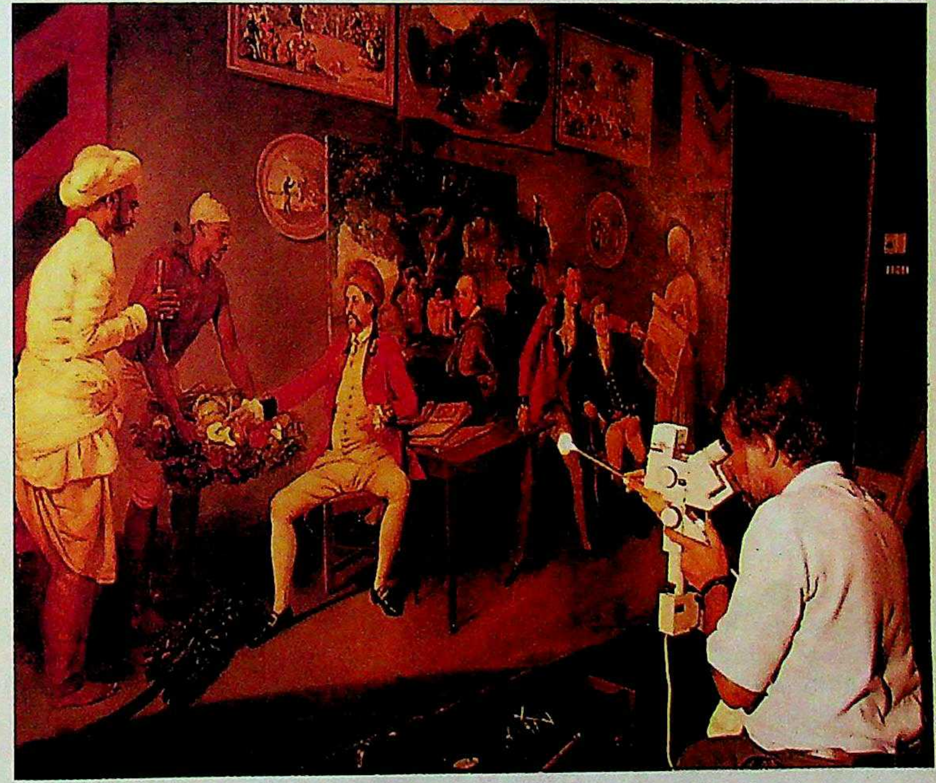
Restoring the paintings should help give a new lease of life to a significant part of the city's heritage.

That's not the end of the trust's contribution though. It is also financing the visits of two world-famous restorers—Patrick Lindsay and Jane McAusland. The trust has already sent equipment and material worth £11,000. Bolstered by such concerted efforts, restoration is on in full-swing at the Victoria Memorial. However, the restorers have had to face many problems along the way. For one, critics allege that a good deal of the original painter's handiwork is erased in the cleaning process.

But Mainak Shankar Ray and his team of restorers are undaunted. Restoration is a sophisticated task, calling for a mix of skilled human precision and ultra modern gadgetry. Armed with paints, brushes and all kinds of solvents, the restorers go about their task with excruciating care. After a close scrutiny of each painting comes the correct diagnosis. Then the gentlest of solvents is applied to lift layers of dust and grime. Often the restorers have to wear protective eyeglasses as they work in rooms lit by ultra violet rays.

Restorer at work: delicate task

SAIBAL DAS



Among the many works from which layers of soot and dirt are being removed by the restorers is Zoffany's 200-year-old oil painting titled *Claude Martin and his Friends*. Another priceless work being restored is George Chinnary's *Views of Calcutta* dating back to 1745 A.D. depicting Calcutta's Maidan around the Shaheed Minar. "We are immensely worried as a large number of the oil paintings and water colours are decaying rapidly," says professor Hiren Chakraborty, curator of the Victoria Memorial.

Having overcome the problem of expenses—the Indian Government had to give its approval for the foreign aid required to air-freight the equipment from Britain—the other stumbling block was the opposition from within the memorial itself. For instance, a senior restorer hastily shot off a letter to the Union ministry expressing the fear that many priceless objects may be taken out of the country in the guise of restoration.

To allay such fears, the agreement between the Victoria Memorial and the Tercentenary Trust lays down strictly that restoration work would be carried out only in the city and that none of the canvasses would be taken out of the country. Accordingly, both Lindsay and McAusland visited the city once last year and surveyed the extent of damage to the paintings.

For the moment, the two internationally known restorers have drawn up a list of 14 paintings for "cosmetic surgeries". Even Ray admits that each of the 450 paintings has been affected in some way or the other.

But a beginning has been made. The restoration of paintings underway should help give a new lease of life to a significant part of the city's heritage which was in danger of being wiped out for ever.

—RUBEN BANERJEE

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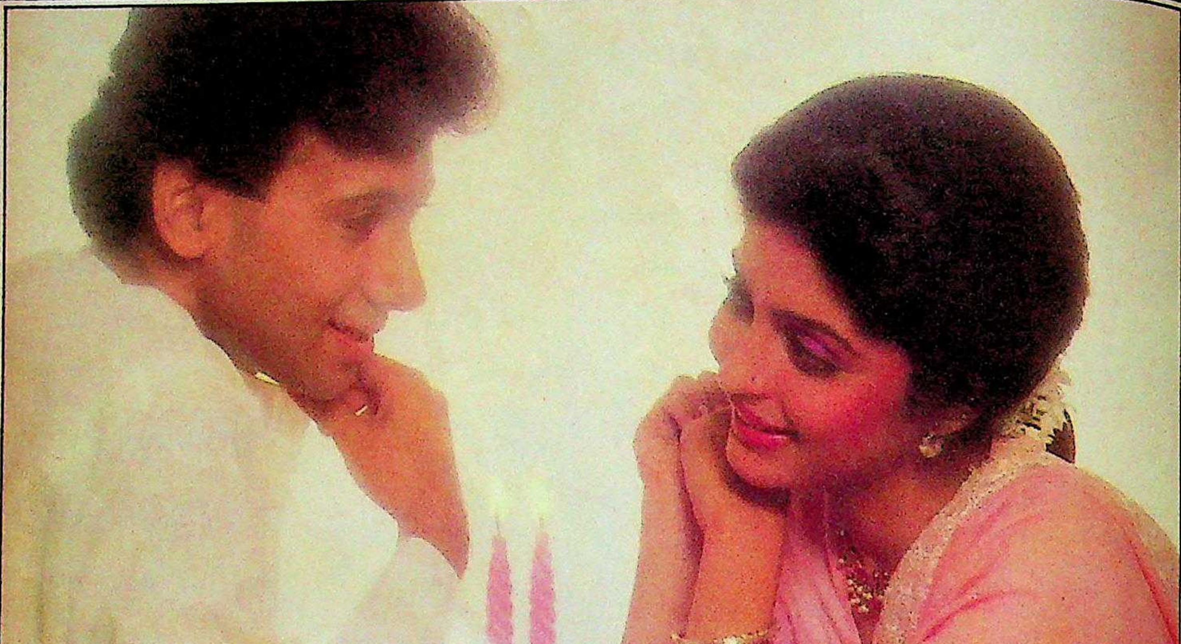

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MOVIE HALLS

Wooing Back Viewers

Hollywood films back with a bang

▸ *PRETTY Woman*, the Hollywood box-office hit starring Richard Gere and Julia Roberts, completed a record 30 weeks in Bombay's Eros theatre last fortnight. It became the first Hollywood film in 12 years to have a silver jubilee run and the box-office collection stood at an impressive Rs 32 lakh. The last movie to achieve such a feat was George Lucas' sci-fi classic, *Star Wars*, in 1978.

▸ In New Delhi's refurbished Priya cinema, a week-long festival titled "Heroes of Hollywood" featured five brand-new films even though 24 halls all over the country were waiting for them. The 1,055-seat hall notched up 75 per cent audience attendance and the earnings for that week crossed Rs 1 lakh—the highest in three years.

CLEARLY, the empire is striking back. Hollywood box-office hits, virtually beaten off the big screen in the '80s by video prints, are back with a vengeance. And movie halls in big cities are spearheading the 'back to the cinema' movement. Says a Hollywood film buff: "The audiences have now realised that only a large screen can bring them real excitement. For instance, in a horror film you feel the horror only in a darkened theatre. Similarly, in a comedy you laugh when hundreds of people are laughing."

But this realisation was not the sole reason for the audiences flocking back to the theatres. It was, in fact, the concerted effort of cinema hall owners in improving projection and viewing facilities coupled with the Hollywood distributors making available newer films that made this trend possible. The thrust, according to theatre owners, is to make a trip to the cinema entertaining and not merely a visit to see a film.

Renovated Priya: the new look

> "I had to convince the distributors that we wanted to be a purely Hollywood movie hall."
>
> AJAY BIJLI
> *Owner, Priya cinema, Delhi*

PRAMOD PUSHKARNA

The first step in this strategy to woo back audiences so far hooked on video began with the renovation of the cinema halls. In Bombay, Sterling installed a sophisticated Dolby sound system, imported at a cost of Rs 25 lakh. The foyer was also re-decorated and the seats will be replaced soon. Other halls in Bombay screening Hollywood films, such as Eros and Regal, are also going in for a new look. Similarly, Delhi's Priya cinema, which had degenerated into a decrepit hall showing only sleazy NRI films, also underwent a metamorphosis. Besides revamping the hall, the management spent over Rs 20 lakh on fitting 70 mm projectors, new lenses, an 18-inch arc lamp, a new silver screen with a black screen behind it, an improved sound system and a tastefully renovated foyer. The result: a vastly improved screening facility. Asserts Dolly Misra, a Hyderabad-based distributor who runs Sangeet and Kumar cinema halls in the city: "There is nothing like the big screen and if you have a lens to show the image fully on the screen, the audience likes it."

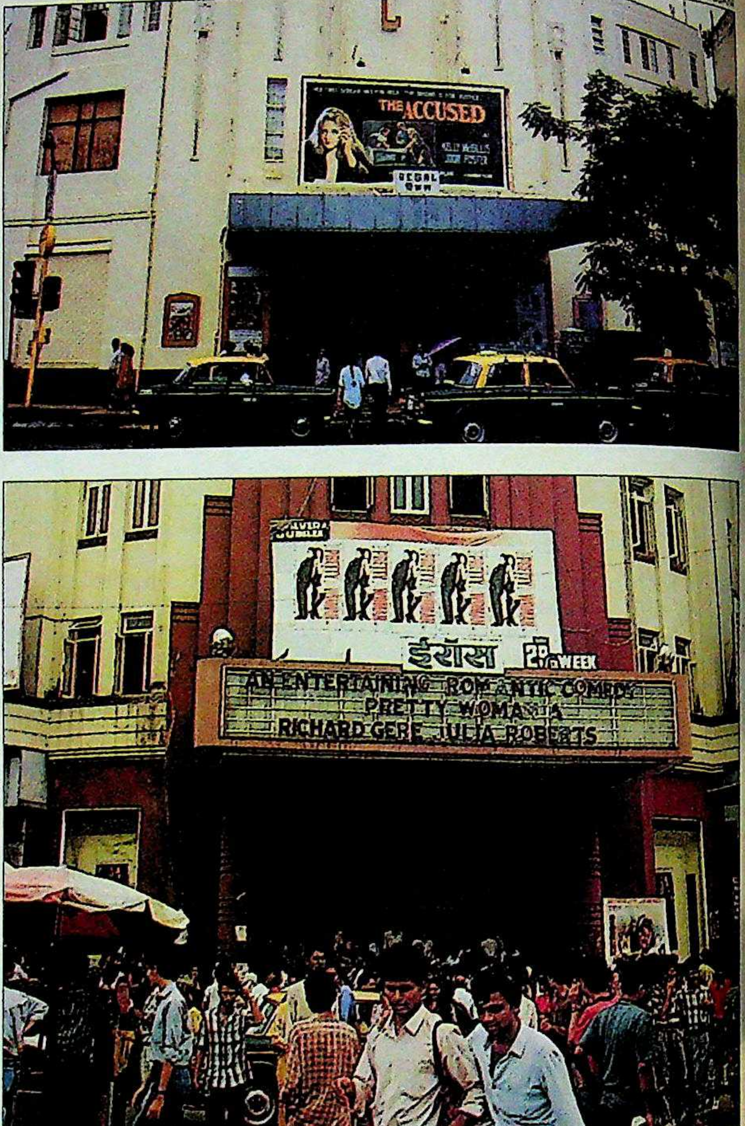
Predictably, having invested large sums of money, these halls have hiked their ticket rates. The price of balcony seats shot up from Rs 8 in Delhi and Rs 10 in Bombay to Rs 14 and Rs 15 respectively. Justifying this spurt, Lance Colaco, managing director of Warner Brothers in Bombay says: "Films are still the cheapest and best form of entertainment in the country. People are willing to pay Rs 15 to get really great entertainment instead of watching bad video prints."

With the interior of the halls refurbished and state-of-the-art equipment installed, the next step was to get new and good prints of 'A' grade Hollywood films. While halls in Bombay and Hyderabad have little problem in getting new films because of tie-ups with 20th Century Fox and Warner Brothers, Priya's management had to drive a hard bargain with the distributors. Recalls Ajay Bijli, the 24-year-old owner: "I had to hard-sell our cinema because of our earlier reputation and had to convince the distributors that from now on, we wanted to be a purely Hollywood movie hall."

CLEARLY, the hard-sell worked. The distributors went along with his plan and gave him new films, including five—*Days of Thunder* (starring Tom Cruise), *Parenthood* (with Steve Martin), *Navy Seals* (with Charlie Sheen), *Sea of Love* (with Al Pacino) and *Bird on a Wire* (Mel Gibson)—for his "Heroes of Hollywood" festival. The 'festival' idea was a surefire winner. Chanakya, the only other hall in the capital showing Hollywood films regularly, too managed to convince the distributors to provide films for the festivals. And over the past few months it has screened a festival of the British *Carry-On* series and martial arts films. The objective of the distributors in supporting the halls is clear: to attract audiences back to the halls with the festival gimmick and with films newly released abroad.

Another innovative strategy adopted by hall-owners and distributors is to enter into thematic tie-ups with private companies to promote their products along with a particular film. When the renovated Priya cinema opened with the Sylvester Stallone starrer *Tango and Cash*, it tied up with Archies, which is associated with posters of Hollywood heroes. The hall also ran a competition and gave away prizes, including 100 free cinema tickets for three days. In Bombay, Warner Brothers and Eros had a similar tie-up for Warner's *Pretty Woman* with the Canadian costume jewellery firm Estelle, which has a collaboration in India with Normak Fashions. Estelle spent about Rs 1.2 lakh on prizes alone. Says Warner's Colaco: "It worked beautifully. Estelle generated a lot of good word-of-mouth publicity and above all, their products were related directly to the film. Moreover, on television you cannot sample the product, but here in the lobby, you can see the product and even try it on." Significantly, the film which was screened at 15 different halls, netted Rs 69 lakh at the box-office.

Photographs by NAMAS BHOJANI



Bombay's Regal theatre (top); and Eros cinema: survival strategy

And the tie-up idea caught on. 20th Century Fox, which is soon to release *Home Alone*—a film for children—is going to sell T-shirts and stationery items for children in the lobby of Sterling. Says P.L. Manjrekar, publicity manager of 20th Century Fox: "This tie-up idea has been borrowed from the West where it certainly is very popular. It is just a question of time before we get used to it in India." Warner is also trying to find sponsors for their forthcoming films, *Dick Tracy* and *Robin Hood: Prince of Thieves*. In Delhi, Priya is expecting to tie up with a soft drinks company for their forthcoming comedy festival.

And the results of these changes are showing. Before June 1990, not one Hollywood film ran for more than a week; now even an average film is doing a minimum of four weeks. This trend, however, is so far confined to the big cities. But the cine buff isn't complaining. Says one viewer at Priya: "This beats the video any day. I only wish the air-conditioning was better."

This grouse apart, cinema hall owners are optimistic that if the newer Hollywood films can be screened within a month of being released abroad, the video menace will soon be a thing of the past.

—W.P.S. SIDHU with GODFREY PEREIRA in Bombay

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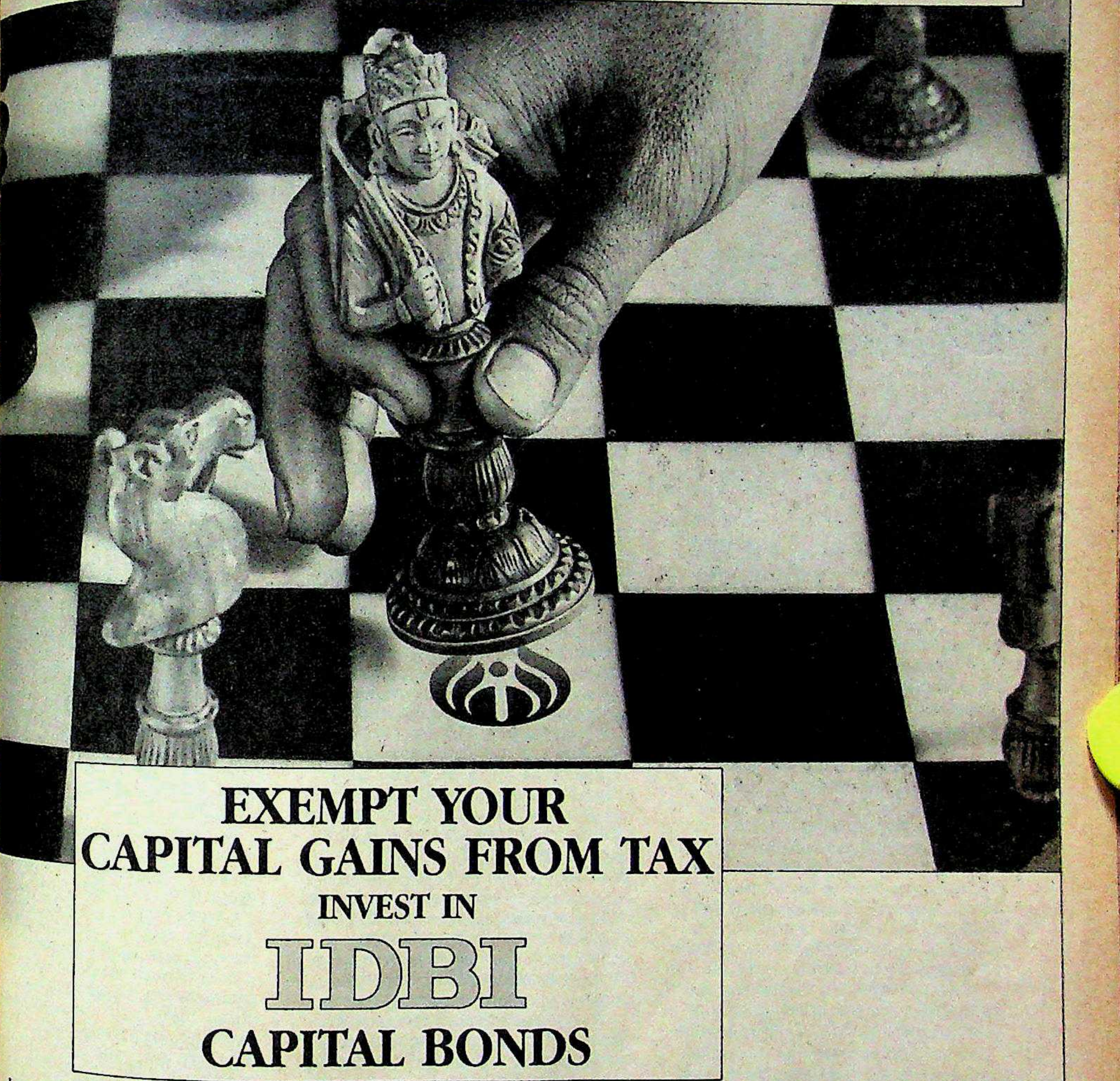

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SPEECH DELIVERED BY A. BASU, CHAIRMAN, VST INDUSTRIES LIMITED, AT THE 60TH ANNUAL GENERAL MEETING HELD ON JULY 5TH, 1991 AT HYDERABAD.

It is the first time we are meeting after the **Diamond Jubilee** of your Company on November 10, 1990. — a milestone in its history. It would therefore be appropriate for me to review the history of your Company before we commence our deliberations on the formal Agenda.

VST — PAST AND PRESENT

It was in 1921 that Janab Mohammed Vazir of Vazir Sultan & Sons, supplicated the seventh Nizam, Mir Osman Ali Khan to use the Charminar as a trade-mark of a new brand of cigarettes he wished to manufacture. This was graciously sanctioned and a 'firman' promulgated to this effect. Several years later, in 1930, a public limited company, **The Vazir Sultan Tobacco Co. Ltd.** was formed in association with the British-American Tobacco Co. Ltd. of the United Kingdom, (BAT) with the latter taking up almost two-thirds the share capital. Through a process of dilution and disinvestment over a period of years, the foreign shareholding was reduced to 32% by 1976, and VST emerged as a professionally-managed Indian public limited Company with the benefit of the BAT foreign association in respect of worldwide access to operational know-how, including the fruits of extensive Research & Development activities.

The present factory was inaugurated in 1933 and over the years, investments have been made to expand capacity. However, as a result of a conscious decision, quantum changes in technology have been made in recent years, and today your Company has **the largest and most modern factory in India, capable of producing cigarettes of international quality.** Its Primary Manufacturing Department is the first to be equipped with Programmable Logic Control. Its Secondary Department, which is in the process of being fully modernised, will soon take into line the latest generation Loga Cigarette Making machine.

Through plantation, landscaping and continued attention to buildings and layout, a conducive environment for work is maintained. A unique odour pollution control system was recently installed and represents another first in the industry in India.

Your Company is in the forefront in respect of its Research and Development activities. A modern, well-equipped laboratory, inaugurated this year and staffed by qualified scientists, keeps a close watch on the quality of the product and assists in the development of new processes and products. Indeed, an application has been filed recently for patenting the indigenous design of certain critical tobacco processing equipment, which has evoked interest overseas.

This consistent thrust towards technology and modernisation has not, however, diluted your Company's care and concern for people, who are central to its business. In our case they consist of 2,472 employees, about 30,000 tobacco farmers and over 500 main dealers, 50,000 wholesalers and 5 lakh retailers who are our customers.

Almost three decades of strike-free industrial relations is the result of your Company's concern for its employees. But behind that has been a history of consultation and participation, including a succession of twelve long-term agreements, commencing from 1952 to the latest one signed in March this year. The Vazir Sultan Tobacco Company Workers Union, Registered No. 1 of 1946; was the first Union to be registered in the erstwhile Hyderabad State, and was formally recognised in 1947 as the employees' sole bargaining agent. The provident fund established in the thirties, the gratuity scheme introduced in the fifties, and a pension from 1982 were Company initiatives — all introduced before they became mandatory by law. Bonus, a source of perennial strife in the Indian industrial scene, has never been one in your Company; instead, a simple and effective productivity bonus scheme which has stood the test of time, has been operative since 1961.

I believe that a **culture of adaptability and willingness** has now been established, open to new technology, be it machines or computers, be it on the shop floor or in the offices or indeed the rural areas, where tobacco is grown. Your managers are professionals, enjoying an environment where innovation and achievement are recognised, and they provide the leadership to the dedicated workforce today, of whom you can be legitimately proud.

Your Company's association with the tobacco farmers of Telangana commenced in 1952, with the launching of the Tobacco Development Programme. Concepts of scientific farming, linked with bank finance schemes and crop insurance, have helped the farmers in securing a livelihood, in good seasons and bad. Together, we have developed commercially viable varieties of Oriental, Kentucky fire-cured, light soil Burley, a monsoon crop of Sun-cured Natu and other non-traditional tobacco crops for which domestic and export markets are being steadily developed. A major thrust is being made through the 'Trees for Life' programme for providing a balanced diet for the farmers' families, while simultaneously improving the ecology. I believe that another dimension will be added to this relationship with your Company's contemplated entry into a new agri-business.

It was in 1973 that your Company commenced the distribution and marketing of its products and developed a chain of main dealers, wholesalers and retailers, giving it greater presence outside its traditional base of Andhra Pradesh, and keener insight into the dynamics of the variegated markets in different locations of our vast country. Here again, a symbiotic relationship has been developed with the trade, the value of whose services cannot be underestimated in reaching your Company's products to the consumer, ensuring availability and freshness of stocks.

These sound foundations of a modern plant, trained and motivated workforce, consistent source of raw materials and a sound distribution system, have provided a base for your Company in the market-place, the ultimate arbiter for the progress and prosperity of your Company. The outstanding success has been **'CHARMINAR Special'**, popularly known as Charminar, first introduced in 1938 and which, through careful nurturing, has preserved its unique place in the world of tobacco. In 1975, sales crossed the one billion mark and it was the leading brand for a number of years. It provided the bulk of your Company's turnover and profits, although there were a number of other brands, such as Gulbarga Qila, Shah-i-Deccan, Chandbibi, Kohinoor which provided supportive roles in some selected markets. With the advent of filter cigarettes, your Company entered the market with **Charminar Special Filters, Charminar Gold, Vazir** and more recently, **GOLD Fine Cut.**

No historical survey would be complete without reference to one of the most successful consumer product launches in recent years — **CHARMS Filter Kings** — in the denim pack, evoking the 'Spirit of Freedom', which is indeed the spirit of our times! This market niche determined by careful research, combined with the innovative design, packaging and advertising theme, made it into a bestseller almost overnight, when introduced in 1983. Alas, fell victim to a change in the Excise duty structure in 1985, but not before it had spawned **CHARMS Virginia Filter** and **CHARMS Mini Kings** cigarettes, which t are a significant presence in the growing filter market, their combined volumes exceeding the highest ever achieved by **CHARMS**. In the export market, CHARMS continues to be the largest selling Indian brand, besides enjoying the distinction of having been totally developed in India.

The **'Spirit of Freedom'** lives on, in the prestigious concerts, which are promoted your Company under that banner. These together with the Charminar Challenge sports sponsorship, enable your Comp fulfil, in some measure, its obligations to society.

It is the resolve of your Directors to continue to build on the foundations laid their predecessors and I will conclude this retrospective view of your Company, VST

STATUTORY WARNING: CIGARETTE SMOKING IS INJURIOUS TO HEALTH stries Ltd.,as it was renamed in 1984, ading out the Company credo:

HE CREDO OF VST

"While the Company as consciously initiated a rocess of modernisation to sition VST in the forefront of technology, we have not gotten our abiding values. he commitment to provide etter value to the consumer. The commitment to our hareholders' interests. The commitment to professionalism. e commitment to business ethics. The commitment to eate a better future for our employees and the commitment to fulfil our obligations to society. his is the soul of VST, and e Company is committed to preserving these values above all."

REVIEW OF THE YEAR

nce we met last, the scene in India has one of gloom and despondency, with succession of disturbances on the ndal Commission and Ram Janmabhoomi es, two changes of Government at the e, fresh general elections leading to e violence, culminating in the tragic ssination of Mr. Rajiv Gandhi. The law order situation in the border states, as ed in some other areas, has deteriorated further. The macro economic scene is better, with revenue expenditure of ernment far exceeding its income and the ance of payments, precarious for some n, further aggravated by the unfortunate War. All of these have had their impact e operations of your Company as I will l later on, while reviewing the year's rmance.

e process of disinvestment of your any's holding of 15 lakh shares in chalam Paperboards Ltd. was eted leading to a net inflow of 5.12 crores and capital gains of 3.62 crores. The proceeds have been ed in Capital Gains Units of Unit Trust dia, assuring that no liability towards l gains tax arises out of the estment. Excluding these capital gains perations of your Company have ed in **Profit before Tax of Rs. 18.95 s and Profit after Tax of Rs. 9.76 es — the highest ever in its history —** which represent a growth of more than and 65% over the corresponding figures e previous year.

eral of the measures taken in the past started bearing fruit. **There is an -fold increase in exports from Rs. 1.25 s to Rs. 10.09 crores this year,** with all legs of exports namely cigarettes, o and agri-products showing record h, and a wider spread of markets. Of particular significance is the interest shown by overseas buyers in non-traditional varieties of tobaccos developed by your Company. Cigarette exports to the Gulf have revived. I am pleased to inform you that The Federation of Andhra Pradesh Chambers of Commerce & Industry has awarded your Company the **Surana Udyog Silver Rolling Trophy for the best export Effort in the State** for the year and we expect to be recognised as an **Export House** shortly.

The modernisation of the plant continues with vigour. The latest generation Loga Cigarette Making machine has arrived and will shortly be installed, tried and taken into production. In the market-place, **your Company has entered the premium segment with Kingston Dual Filter** and the product has been well received.

The financial strength of your Company has been vindicated by **the highest possible ratings, FAAA for its Fixed Deposit Schemes and P1+** for Commercial Paper, from CRISIL — the prestigious, independent credit rating agency. The rapid growth of the market value of investment in your Company also reflects its financial soundness and investor confidence.

Taking all these factors into account, your Directors have recommended, subject to your approval, a record dividend of 45% for the year, inclusive of the Jubilee Dividend of 10% and the Interim Dividend of 15% declared earlier, together was a proposal to capitalise free reserves by the issue of **bonus shares** in the ratio of three new shares for every five shares held. This bonus issue has come after a lapse of only two years since the last such issue. Nevertheless, on the basis of the planned performance this year, it is anticipated that the dividend on the enlarged capital base will be at least 28% barring unforeseen circumstances.

How have such results been achieved in the face of the adversities mentioned earlier? First and foremost, from the dedicated effort of all employees. Secondly, through the consistent practice of participative planning and review about which I had spoken to you last year, and which now has been extended and sophisticated through the implementation of **Risk Management**. This involves the identification of the key risks that the business faces, a systematic assessment of the probability of each risk occurring and its resultant impact on operations. Every businessman does this exercise in one way or another, but in your Company, Risk Management has been developed through the rigorous application of scientific methods and expanded to cover every department of the factory, leaf operations and marketing.

The value of such a pre-emptive approach is apparent when times are troubled. It enables management to take action to minimise the impact of an event which cannot be prevented. This is all the more important in our business where millions of consumers throughout the length and breadth of the country have to be serviced on a daily basis. For example, Risk Management has enabled your Company to identify intermediate warehousing points and alternative transport routes, generate contingency plans for production during periods of tension and civil disturbances, improve its communication system and to secure against breakdown of infrastructural services.

Nevertheless, it could have been an even happier year for your Company. The conjunction of the Quartercentenary of the city of Hyderabad and the Diamond Jubilee of your Company was a happy augury. A new Company logo was developed, incorporating the Charminar — an eternal symbol of beauty, harmony, strength and stability! As our homage to the symbol which has meant so much to all of us and as an offering to the citizens of Hyderabad on the occasion of the Quartercentenary, your Company has installed sophisticated equipment for flood-lighting the monument. Alas, its inauguration, and several other proposals for civic improvements, discussions on which were initiated with Government, have had to be postponed time and again, bedevilled by disturbances on an unprecedented scale.

The Gulf War had a direct impact on prices of petroleum products and transport, along with the consequent increase in taxation by Government. Curfew affected the factory directly for 6 days during the year, resulting in loss of production, mitigated by the loyalty and commitment of many employees, who volunteered at great personal inconvenience and risk, to keep production going, albeit on a partial basis. While export commitments were honoured in time, the loss of output, together with breakdown of transport facilities, led to occasional stockouts in the market-place, resulting in inconvenience to consumers and loss in excise revenues to Government.

THE ROAD AHEAD

We can but hope that the worst for the country is behind us and that the new Central and State Governments will pursue pragmatic policies to which we can respond with enthusiasm, and thereby use to the full the natural advantages with which our country has been so abundantly blessed. It is not merely a question of deregulating the economy. **There is the need for peace and stability, a reinforcement of the basic infrastructure of power and communication, so that we can get on with the job.** Work must be encouraged and rewarded, and condonation of non-work eschewed. Policies must be pursued where money has to be earned and not frittered away to fulfil discredited dogma and populist promises.

Your Company is well poised for another satisfactory year, which should see the beginnings of our entry into new lines of business. We have identified certain concrete proposals and, in this connection, discussions with proposed collaborators have taken place. The focus will be on Agri-business, where your Company has already acquired considerable experience, along with exploring other profitable lines of business consistent with national priorities and business needs.

Your Company should be in a position to finalise a specific project by the end of the year.

This does not
purport to be a
report of the
proceedings of
the 60th Annual
General Meeting.

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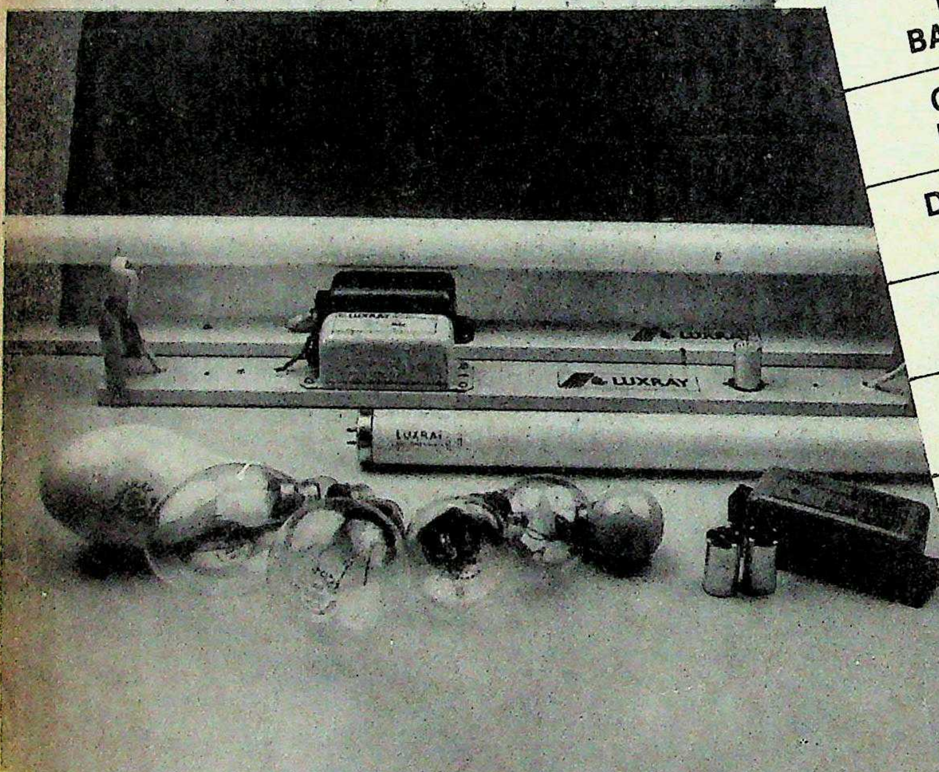

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SARDAR PATEL

Righting the Record

A new look at the freedom saga, highlighting Patel

THE throat-grabbing smoke lifts, broken minarets of burnt-out little mosques peep out from the sulphurous haze. A blackened board with Urdu letters on it is askew above a tailor's shop, as is the sign in Devnagri script above the provision shop. Red Cross volunteers in broad white shorts carrying stretchers with bloodied bodies run down the riot-torn street. Mounted men in khaki trot through the carnage.

This is Fatehpuri, Delhi. And it is late autumn 1947, in the frenzied wake of Independence and Partition. Ketan Mehta is making a three-and-a-half hour feature film on the man of iron, Sardar Patel. The narrow street is only plyboard and plaster of Paris in Kamalistan, a film studio in a Bombay suburb. But it could be Meerut just yesterday. The scene, created with elan by Samir Chanda, reeks of verisimilitude—onions strewn across the street and burnt furniture cluttering it. That shock of recognition of the 1947 tremors still shakes us.

It's this undercurrent which gives the making of *Sardar Patel* its edge. In short: controversy. "The fate of the film depends on the government in power when it's completed," says a unit member. Moreover, the resurrection of the Sardar and the surreally late awarding of the Bharat Ratna to him, lend the film greater relevance.

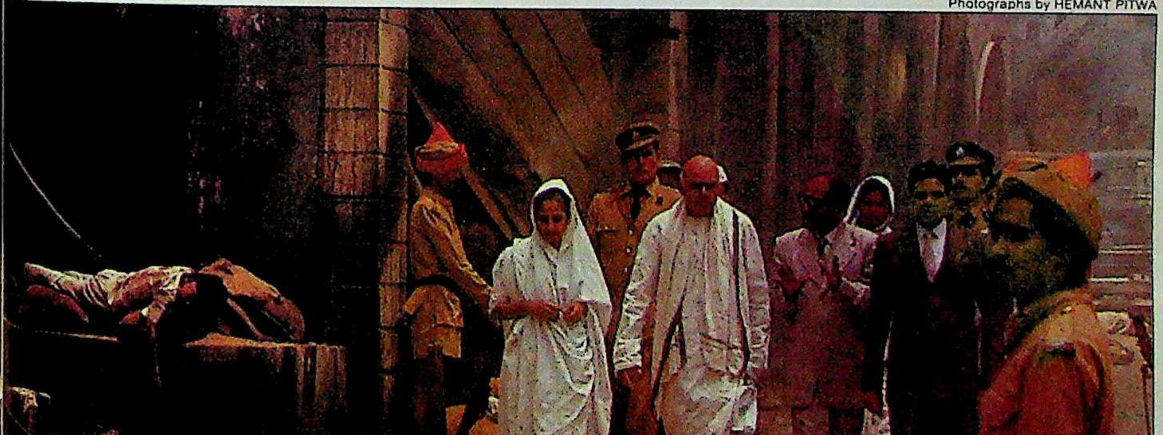
Suddenly, the Sardar is top drawer. Political parties rush to claim him. Former prime minister Chandra Shekhar awards him the Bharat Ratna. But it is Madhu Limaye who writes a letter to Chandra Shekhar telling him it's time Sardar Patel, "whose role as the third man in the Independence movement is unchallenged", is honoured. Incidentally, Vijay Tendulkar asked Limaye to whet the film's script. Ironically, it's the Congress(I) which finally gets the laurels.

The question is: who is going to benefit from the Sardar's posthumous blessings? Would the film be used by the BJP to discredit the Nehruvian legacy? Would it claim the Sardar as the guardian angel of the Hindus? L.K. Advani started his Rath Yatra from the Somnath temple to symbolically follow the Sardar's footsteps. But Shyam Benegal, adviser to the film, is certain "no political party can manipulate this film". Says he: "Vijay Tendulkar's brilliant script is historically authentic. There are no sectarian implications."

The film itself was on the road long before the Bharat Ratna controversy. The Foundation for Films on India's

A scene from the film

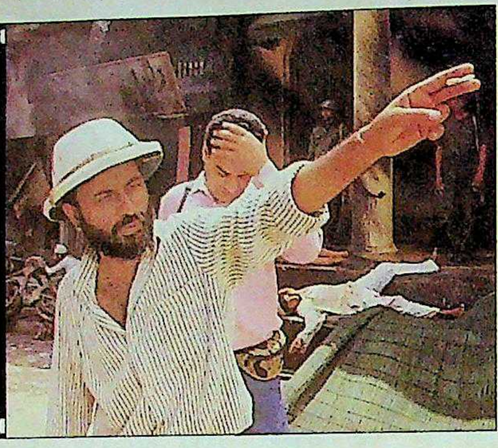
Photographs by HEMANT PITWA



While critics feel that the film may end up glossing over Patel's communalism, Benegal is categorical about the fact that the Sardar was not communal at all.

"History is being rewritten, as it has been appropriated in the names of Nehru and Gandhi."

KETAN MEHTA, *Director*



War of Independence was funding *Sardar Patel*. And the spirit behind the film, H.M. Patel—the former finance minister who was Sardar Patel's secretary—initiated the project in 1985. The budget is about Rs 2 crore—a handsome sum considering there are no "stars" in the film.

Why Sardar Patel? And why now? Evidently, the Foundation wanted to rescue Patel from oblivion and project his role in the Independence movement. Says Mehta: "There's been an appropriation of history in the name of Nehru and Gandhi."

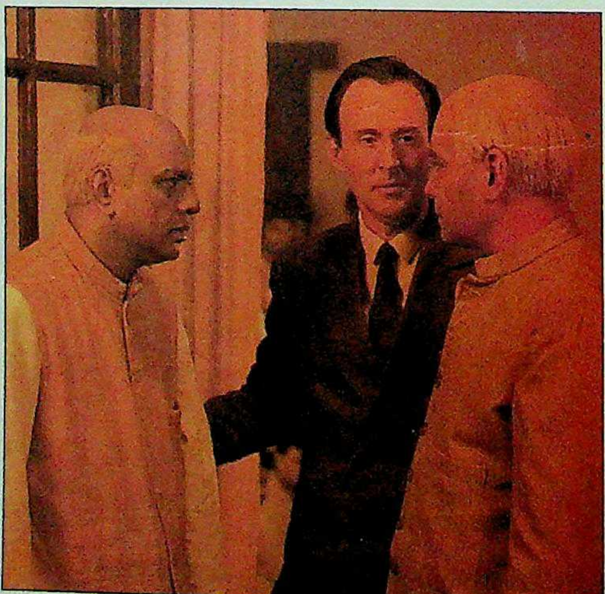
Film makers are now wondering if *Sardar Patel* will gloss over the leader's supposed communalism. Benegal is categorical: the Sardar was not communal. He says they'll treat communalism the way it was.

Would the film be an exercise in hagiography as have been so many films on Nehru and Gandhi? Mehta stressed his film is not concerned with myth-making. Nor is it the answer to Attenborough's *Gandhi* or the many film biographies of Nehru. Instead the cult of the hero has been transformed into collective hero-ship. Patel finally looms large, alongside Gandhi and Nehru. But Maulana Azad, V.P. Menon, G.B. Pant, Rajaji and others have more than just walk-on parts in the freedom saga. Patel shares the arclights with the process of Independence and the integration of the states.

With the accent on authenticity, the film unit travelled to spots where history was made. In Birla House, an Englishman walked up to "Mountbatten"—Tom Alter—and said: "I'm your grandson". This was Pamella Mountbatten's son who was on his honeymoon in India.

SIMILARLY, with the Round Table Conference sequence during which Mountbatten turns to Jinnah and asks him if he'd accept a "single, united India". The moment Jinnah says no, some of the actors turned to Wallabh Vyas (Jinnah) and asked him why he didn't just say yes.

Rawal (Patel), Gilani (Nehru) and Alter (Mountbatten)



"Most of us were born after Partition," says Alter, "but this was such an emotional moment, we couldn't understand why India was partitioned." And the re-enactment of the aftermath of Gandhi's assassination made all the unit members "quite emotional" explains Mehta.

It could be the foreboding sense of *deja vu*. Patel's words about India fragmenting resonate eerily in an India straining at its seams. Says Paresh Rawal, the Gujarati theatre actor more known for his villain roles in Hindi cinema, who plays Patel: "People only know Nehru and Gandhi but had it not been for Sardar Patel, Jodhpur would be a separate country and you would need a visa for Bikaner."

Mehta is not so sure. But he does want to look at history without the shadows of Gandhi or Nehru falling across it. Nor is this a Nehru-bashing film. Benegal, Nehru's tele-biographer, was, in fact, the first choice for director but he was too busy making the *Discovery of India*.

To avoid myth-making, Mehta has used several Brechtian distancing devices. The film begins with a young group of people making a film on Sardar Patel. They go through newsreel footage and begin to see the relevance of Patel and his work. And the film moves back and forth in time.

Nor is Mehta unduly concerned with resemblances to the historical characters. Rawal has merely shaved his head for the role. Benjamin Gilani has a whiff of Nehru about him. The delightful Raghuvir Yadav is the link between the past and present: he was there, the common man, when history was being made.

And back to a now suddenly interested in the man of iron—whether it is the ridiculously belated Bharat Ratna award or political parties trying to resurrect the past and what could have been.

—MADHU JAIN in Bombay

The depiction of Partition riots makes the film relevant in today's context.

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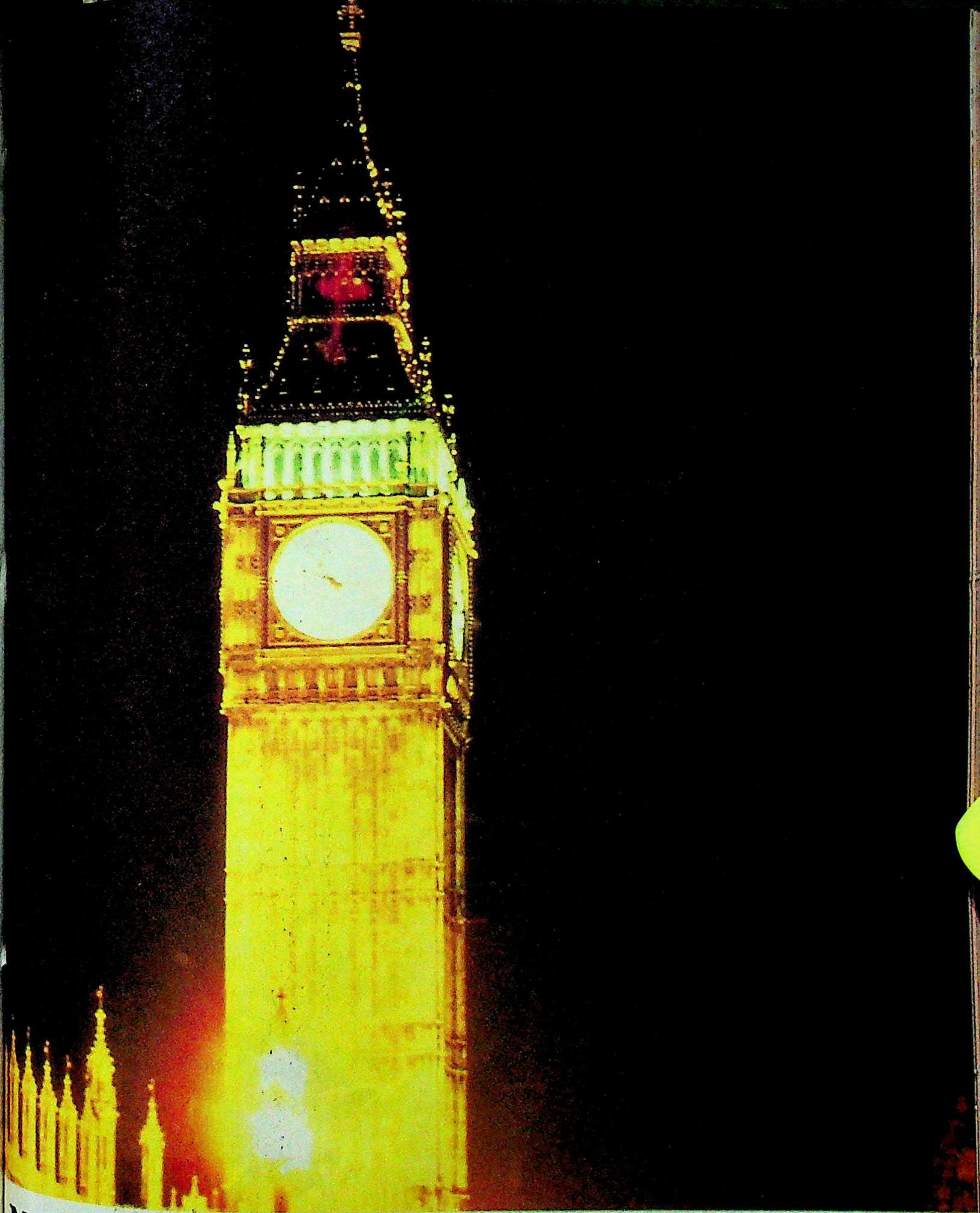

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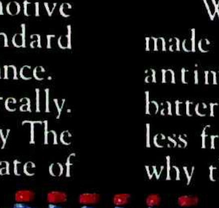
There are whispers in the automotive industry. Whispers about the Standard Furukawa battery's outstanding performance.

And that's not very surprising, really. Considering that the battery is made by The Standard Batteries Limited, an associate of the Macneill and Magor Group, in technical collaboration with The Furukawa Battery Company Limited of Japan.

Furukawa is the largest supplier of O. E. (Original Equipment) batteries to Suzuki, Japan, and is also a supplier to Honda, Nissan and Toyota.



What's more, the Standard Furukawa is made with 1.8% selenium. It has the lowest antimony content amongst all Indian batteries. Which means, it needs topping up less frequently and less maintenance. That's why the last 18 months have seen more and more leading manufacturers using Standard Furukawa as O. E. batteries.

So if you're replacing your vehicle's battery, listen to what the manufacturers are whispering about. The performance of the Standard Furukawa battery.

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Inside View

Benazir era chronicled

WAITING FOR ALLAH
by CHRISTINA LAMB
Hamish Hamilton;
Viking
Pages: 303;
Price: Rs 250

IN many ways, Pakistan offers a classic case study for students of international relations. A history of military rule interrupted by brief and ill-fated flirtations with democracy. A political culture in resultant turmoil. The see-saw battle between the mullahs and modernity. A feudal society trapped in social contradictions and self-serving compulsions. An occasional cat's-paw for US interests in the region. And, a legacy of autocratic rulers from Jinnah to Zulfikar Ali Bhutto and General Zia-ul-Haq.

Lamb: racy style

All these have combined to make Pakistan what it is today, a country in elusive search of an identity. Despite Prime Minister Nawaz Sharif's attempts at economic *glasnost*, it is Pakistan's confusion over its Islamic credentials that is perhaps the single biggest stumbling-block in its transition to the 21st century. Jinnah, Pakistan's founder, left the question of the country's Islamic ideology unresolved. Zia's Islamisation drive was mainly tailored to ensure his own political survival while Benazir Bhutto, despite her western-oriented, liberal image, failed miserably to fulfil her promises of making Islam more relevant to the Pakistan of her dreams.

Religion and politics, in any society, makes for an incendiary cocktail. But in Pakistan's case it has combined to highlight a fundamental question—whether democracy and Islam are at all compatible. Lamb is no theocratic scholar but she has the highly perceptive eye of a skilled journalist. More crucial, Lamb's assignment in Pakistan coincided with the most momentous period in Pakistan's history—the mysterious death of Zia and the rise and fall of Benazir Bhutto, the Islamic world's first female prime minister.

Considering India's obsession with Pakistan, and the parallels between the two societies, there is not much new in Lamb's book. But she has a flair for the dramatic, a racy style and a capacity for in-depth analysis, giving the book a freshness it would otherwise have lacked for subcontinental readers.

Lamb's basic argument is that the root of the Pakistan problem lies in the lack of consensus on the role Islam should play in a modern society. As she points out: "The more the country strives for what its religious scholars see as true Islam, the less equipped it becomes for running a twentieth century state." Lamb, however, is at her journalistic best with her vivid portraits of Pakistani society and the blunders made by Benazir, a close friend of hers from their Oxford days, with whom she enjoyed an insider's access. Lamb's description of the behind-the-scenes activity by the military brass to prevent Benazir from coming to power, the secret negotiations with political leaders, including Nawaz Sharif, conducted by Brigadier Imtiaz—head of the domestic politics section of the all-powerful ISI—from a room in Lahore's Faletti's Hotel, bears the stamp of authenticity. She provides a vivid account of the cavalier manner in which the Americans used Pakistani generals as scapegoats for the failure of their Afghan policy; and finally, how the army conspired with the bureaucracy and the clergy to pull the rug from under Benazir's feet.

But more than the conspiracy of forces, it was Benazir's own blunders (her own partymen described her as Alice in Blunderland) and character flaws which ultimately led to her downfall. The real meat of the book lies in Lamb's descriptions of the patronage, nepotism and naivete which characterised Benazir's brief sojourn in the political sun. "Benazir had appointed so many ministers and advisers, regardless of their competence, that it appeared that even she could not keep track," she writes, ending with one memorable occasion when at a reception Benazir asked a guest, Father Julius, what he did. His reply: "I'm your minister for minorities."

—DILIP BOBB

Vivid Voices

Women writers impress

THE INNER COURTYARD
Edited by
LAKSHMI HOLMSTROM
Rupa & Co
Pages: 204;
Price: Rs 55

FORTUNATELY, The Inner Courtyard—Stories by Indian Women is not more of the interiors stuff. Pourings-out or monologues added like lace to decorate magazines. Nor are they women's-room stories. These are rooms with views. Strong, political, spanning both inner and outer worlds, continents, and generations.

Lakshmi Holmstrom's selection of stories is rather eclectic. From Lalitambika Antarjanam's *Revenge Herself* which was first published in Malayalam in 1938—powerfully evocative with its use of the ghost story to tell the story of a Namboodiri woman of the late 19th century who became a prostitute—to Anjana Appachana's *Her Mother*, in the form of a revealing letter to a daughter in America.

Devi and Hyder: top notch

This collection is certainly not treading new ground. Kali in its *Truth Tales* and *Slate of Life* covered much of the same terrain—and well. In fact, the collection has already been published by Virago in England. But what gives *The Inner Courtyard* its worth is the quality of writing and the diversity of the sensibilities of those who have known life behind the *purdah* or even *ghunghat* to those who've done the Greyhound Bus rounds of the US—or even married Americans.

Commendable about the collection

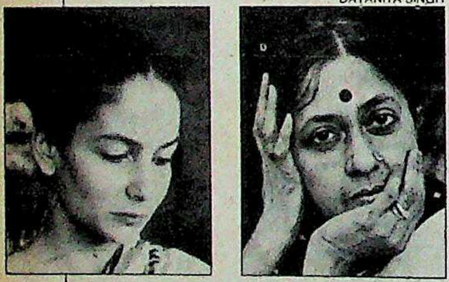
as well is the consistently competent quality of the translations. Many Indian writers remained beyond the pale because of the lack of translators or even worse, bad translators. Something the Sahitya Akademi should take note of: bad ambassadors are worse than no ambassadors at all.

The title is slightly misleading—these are not *Stories by Indian Women*. Many of them have been written by expatriates from the subcontinent. Stories from the diaspora would have been a more accurate description.

In fact, the emergence over the last decade of a totally different mindscape in this body of writing is an exciting development in contemporary literature. Some of the writers have pushed the literary frontiers further. Moreover, this cross-fertilisation has resulted in a fascinating superimposition of the expatriate's vision on to the Indian landscape. Padma Hejmadi's *Birthday Deathday* is a fine example of this coming-home phenomenon.

In a way this is an NRI literary product, the result of going back and forth of the various *kala panis*. This assortment of stories has works from Indian women writing in Indian languages as well as in English, expatriate Indians and those from Pakistan.

DAYANITA SINGH



Anita Desai and Kamala Das: fine fare

Making the writing even richer are the border crossings between languages. Some of the short stories fall easily and meaningfully from English to Hindi, Bengali and other languages.

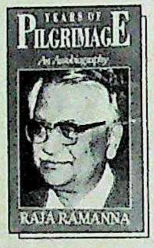
It is well nigh impossible to single out the more significant works but the contributions of stalwarts like Ismat Chughtai, Qurratulain Hyder, Mahashweta Devi—her excellent *Draupadi* is one from the gut and a chillingly told account of a Santhal revolutionary woman's defiance of authority—and Mrinal Pande's *Girls* are among those whose prose , images and statements stand out. This collection confirms that women writers are alive, well and living—and vibrantly confident—in the diaspora. —MADHU JAIN

Prosaic Fare

Biographies fail to come alive

CHANDRA
A Biography of S. Chandrasekhar
Kameshwar C. Wali

CHANDRA:
A BIOGRAPHY OF S. CHANDRASEKHAR
by KAMESHWAR C. WALI
Viking Penguin India
Pages: 341;
Price: Rs 250



YEARS OF PILGRIMAGE: AN AUTOBIOGRAPHY
by RAJA RAMANNA
Viking Penguin India
Pages: 142;
Price: Rs 175

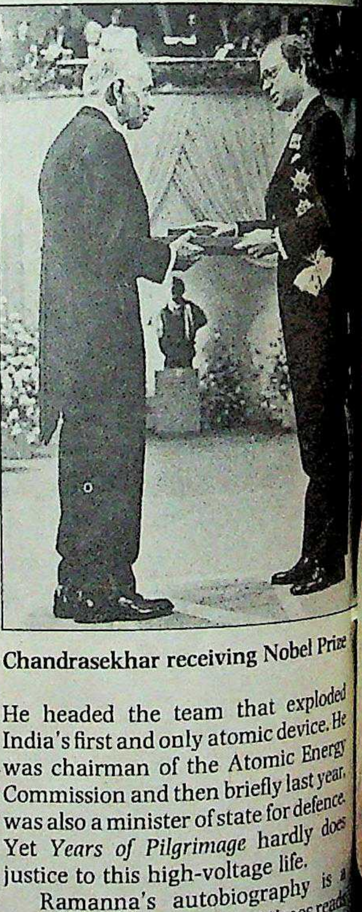
FOR a biography Subrahmanyan Chandrasekhar's life offers immense scope. He was little known in India till he jointly won the Nobel Prize for physics in 1983. His path-breaking work on collapsing stars is at the frontier of astrophysics. And the expatriate Indian now settled in the US has rubbed shoulders, and at times clashed with, the greatest of physicists the world has produced.

The trouble with Kameshwar C. Wali's biography of the scientist is not that his homework is poor. In fact, his extensive talks with Chandrasekhar, his access to personal correspondences and his interviews with people who knew him would do any journalist proud. Wali's failure lies in his inability to transform the wealth of raw data into crisp, exciting details that bring the man and his remarkable work to life. And his background as a physicist instead of helping him to interpret Chandrasekhar's work, seems to have left him in perpetual awe of the man.

The book does have its good parts. Despite the heavy dose of scientific mumbo, the chapter describing how Chandrasekhar actually did his Nobel prize-winning work on stars way back in the 1930s makes fascinating reading. So too are the descriptions of his clashes with eminent British scientist Sir Arthur Eddington that led to his research being arbitrarily dismissed for years. And Chandrasekhar's patent dislike for his famous uncle, the late Sir C.V. Raman, is an eye-opener.

The scientist's personality does emerge, albeit through bits and pieces. His brilliant, inquiring mind; his lingering bitterness over certain events in his life; his naivete about Indian politics (he believed the Emergency was good for the country). And above all, his humility. Despite his achievements, Chandrasekhar still feels he hasn't come close to understanding himself or the subjects he spent years researching.

If Wali's effort is dissatisfying, eminent Indian scientist Raja Ramanna's autobiography is a damp squib. He may not have achieved Chandrasekhar's scientific acclaim but his life too has been exciting and rewarding.



Chandrasekhar receiving Nobel Prize

He headed the team that exploded India's first and only atomic device. He was chairman of the Atomic Energy Commission and then briefly last year, was also a minister of state for defence. Yet *Years of Pilgrimage* hardly does justice to this high-voltage life.

Ramanna's autobiography is a rambling narrative that at times reads like an elongated bio-data. Absent are the perspectives, the little insights and the stitching together of life's threads that make for cogent reading.

Ramanna's is a man of varie talents including being an outstandin pianist. But judging from his autobio raphy, writing does not seem to figu among them.

—RAJ CHENGAP

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Books

INDIA—A TRAVELLER'S KIT (Durga Das Publications) is the latest on the tourist handbook circuit. Consisting of some 650 pages, it presents a near-complete picture of the country. Filled with little tips, anecdotes and insights ranging from topics as varied as architecture, to religion, and nice, safe places to stay, the book offers a fairly comprehensive guide to a visitor travelling within the country.

THE BURDEN OF PROOF BY SCOTT TURROW (Warner Books; Rs 110). A sort of sequel to the phenomenally successful *Presumed Innocent*, but unfortunately, not nearly half as good. A dead body, legal wranglings, the hunt for an explanation—proven formula, only it takes 200 pages too many to unravel, with the plot picking up after more than half the book is over. However, the novel does have cinematic potential.

Sculpture

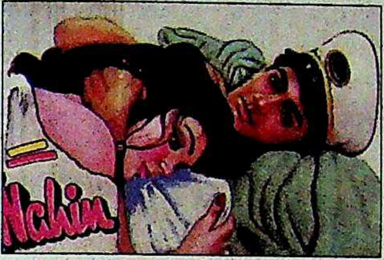
ALEX MATHEW AND PUSHPAMALA N. (Jehangir Art Gallery, Bombay). The works crackle with an energy barely harnessed. The statements in fibreglass, barbed wire, game boards, or whatever are loud and clear. And pain seems to be a dominant emotion.

NAMAS BHOJANI

The sculptors with exhibit

Movies

DIL HAI KE MANTA NAHIN (Directed by Mahesh Bhatt; Starring: Aamir Khan, Pooja Bhatt, Anupam Kher). Bhatt's now panned his camera on the comic. And with panache. A Hindi remake of Frank Capra's Hollywood block-buster *It Happened One Night*, the movie, despite a weak plot, is well-executed. Pooja, with her gamine charm, is delightful, and Khan puts the lid on the fact that he is *the* romantic hero. The pair's magic works. It's a relief not to have Bhatt airing autobiographical angst on screen, and opting for candy-floss even if its flavour is borrowed.



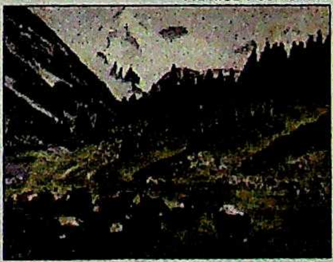
Khan and Pooja: charming pair

PHOOL BANAY ANGAREY (Directed by K.C. Bokadia; Starring: Rekha, Rajnikant, Charan Raj, Prem Chopra). Rekha is back as the angry middle-aged woman, full of sound and fury. In the film, she plays a schoolteacher who turns into an avenging goddess after her husband is gunned down. Clearly the aim of the *dhishum dhishum* drama is to prove that what Amitabh can do, Rekha can do better. And also maybe Rekha wants to announce she's still around.

Art

WATER COLOURS BY ERIC SATTLER DORNBACHER (Vadehra Art Gallery, New Delhi). Dornbacher is no Sunday painter but he only started painting after retirement. An accomplished landscape artist, his canvases capture the majestic sweep of the Himalayas, his native Austria and centuries-old Indian monuments like the Golconda Fort with a keen yet distinctly romantic eye. Particularly evocative are the monuments because of Dornbacher's powerful and imaginative use of colour—strong burnt browns set off by reds, blues and greens.

PRAMOD PUSHKARNA



A Dornbacher landscape

LANDSCAPES BY YOUNG ARTISTS (Gallery Aurobindo, New Delhi). It's the season for water colours. The exhibition has works by seven upcoming artists, whose works are soft and hazy with that "just rained look", with paintings by P. Upadhye and Subrata Kundu, among others.

PRIVATE COLLECTION (Gallery Espace, New Delhi). A summer showing of the gallery's private collection, the predominant medium being oil pastels. Featuring Gurcharan Singh, Subrata Kundu and Suman Gupta, whose egg tempera on wood is a startlingly realistic work.

Video

NEW JACK CITY (Directed by Mario Van Pebbles; Wesley Snipes, Ice-T, Judd Nelson). This controversial film with its graphic violence, looks at the rise of the Black mafia which pushed 'crack' to gain money and power. With two top rap artists Snipes and Ice-T in the lead, there's lots of foot-tapping rap music. Nelson is the exception in the otherwise all-black cast.

HUDSON HAWK (Directed by George Lucas; Bruce Willis, Andie McDowell). Willis is in top form with what he's good at—swearing, shouting and walking on air. Lucas, in true sci-fi style has made merry with roller-coaster special effects. Worth a watch only if you're a "die-hard" Willis fan or just in a mood for thrills and spills.

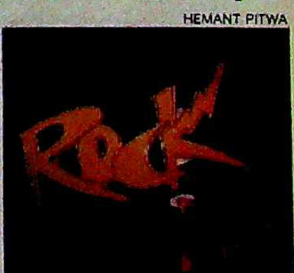
MUSICTRAX (Produced by Musictrax, Bombay). Musictrax has started a series of compilations of the hits of the West. The second has Madonna's controversial *Justify My Love*. While the selection is outdated, the voice stringing the songs is out of sync.

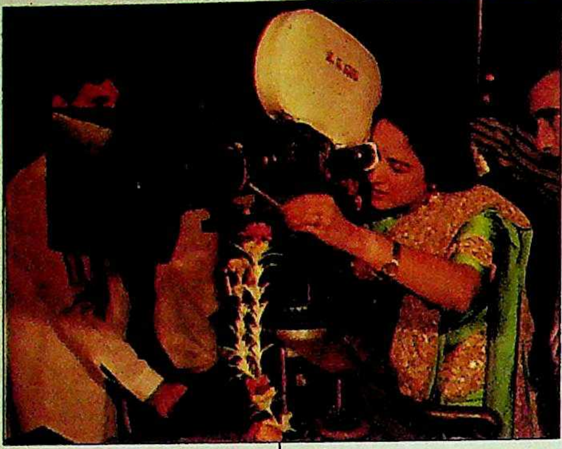
Odd ends

ROCK AROUND THE CLOCK (Hotel Metro Palace, Bombay). Although the clock stops at midnight, the discotheque's *piece de resistance* is the karaoke—which superimposes your voice on the background music.

The disco: new hot-spot

HEMANT PITWA





Hema: changing tracks

Calling the Shots

◆ The recurring Dream Girl is getting ready for the sound of the clap-shot again. Only this time she'll be behind the camera, calling the shots. Dancer-actress **Hema Malini** is making her directorial debut on the big screen with a love story titled *Dil Aashna Hai*. Why the shift? "I am just trying another medium. I don't need to prove anything to anybody." Things have been hunky-dory in the director's chair. The only problems have been in her role as producer—getting the *moolah* that is. The inspiration? "Dharamji is my inspiration." Initially, Dharam was not so *garam* about the new direction she was taking. But now he's warmed up.

Bat of the Old Block

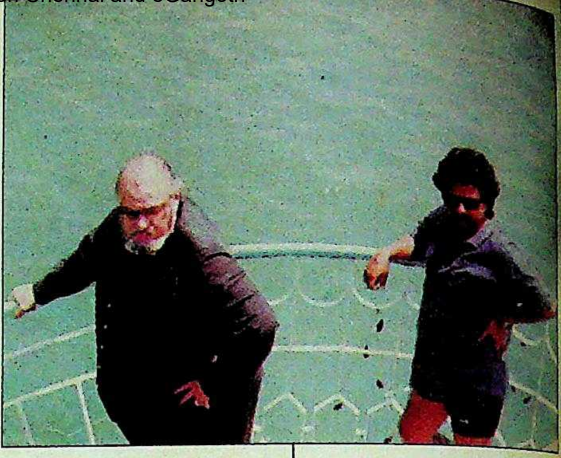
◆ The Little Master better hang up his bat. The littler master's ready to take over. Sunil Gavaskar's son Rohan, 13, is one of 15 boys chosen to play for the Cricket Club of India. A student at Bombay Scottish School, Rohan has only been kicking round the football fields—cricket's not on there. But under his father's tutelage he's getting set to be India's new cricket wonderkid. Seems like Batboy is here.

Cartoon by JAYANTO

Dev's Delight

◆ There's a new mermaid from Copenhagen heading for the Indian shores. The never-say-die **Dev Anand** is playing Professor Higgins again. This time to **Maja Riis**, a 17-year-old Danish schoolgirl who'll be playing one of the leads in Dev's new film *Pyar ka Taraana*. Dev spotted her in a Copenhagen cafe and as he says: "I met her. I liked her. And I immediately knew that here was a potential international star." Meanwhile, the little Dane is learning to say *namaste* before the camera. Did anyone hear a splash?

Riis: Danish find



Shammi in *Amaran*

Southern Sojourn

◆ The *junglee* has taken a tumble across the Vindhyas. Making his debut in Tamil cinema with *Amaran*, once wild at heart **Shammi Kapoor** will now be spouting Tamil. Was he nervous about speaking in Tamil? "Nervous? Who me? *Ille, ille*." But that's because: "I was not asked to deliver lengthy dialogues". Satisfied with the film he's pointed his compass south. Now it'll be *aiyai aiyai yo sooku, sooku*.

Junking the Rupee

◆ The shrinking rupee has got its back to the wall. Quite literally. **V. Balu**'s mural on the devaluation of the rupee shows its mighty fall over the years. Made from old aeroplane parts that the artist "picked up from the junkyard" it would do better to grace the walls of North Block—almost like a sword of Damocles.

The mural certainly couldn't have been better timed. Not that Bangalore-based collage artist and executive Balu thinks that his subject will never be dated. Says he: "This mural is highly relevant today. And given the shrinking value of the rupee, it will continue to remain so for a long, long time."

Did anyone say that scrap had no value?

Balu: calculated collage

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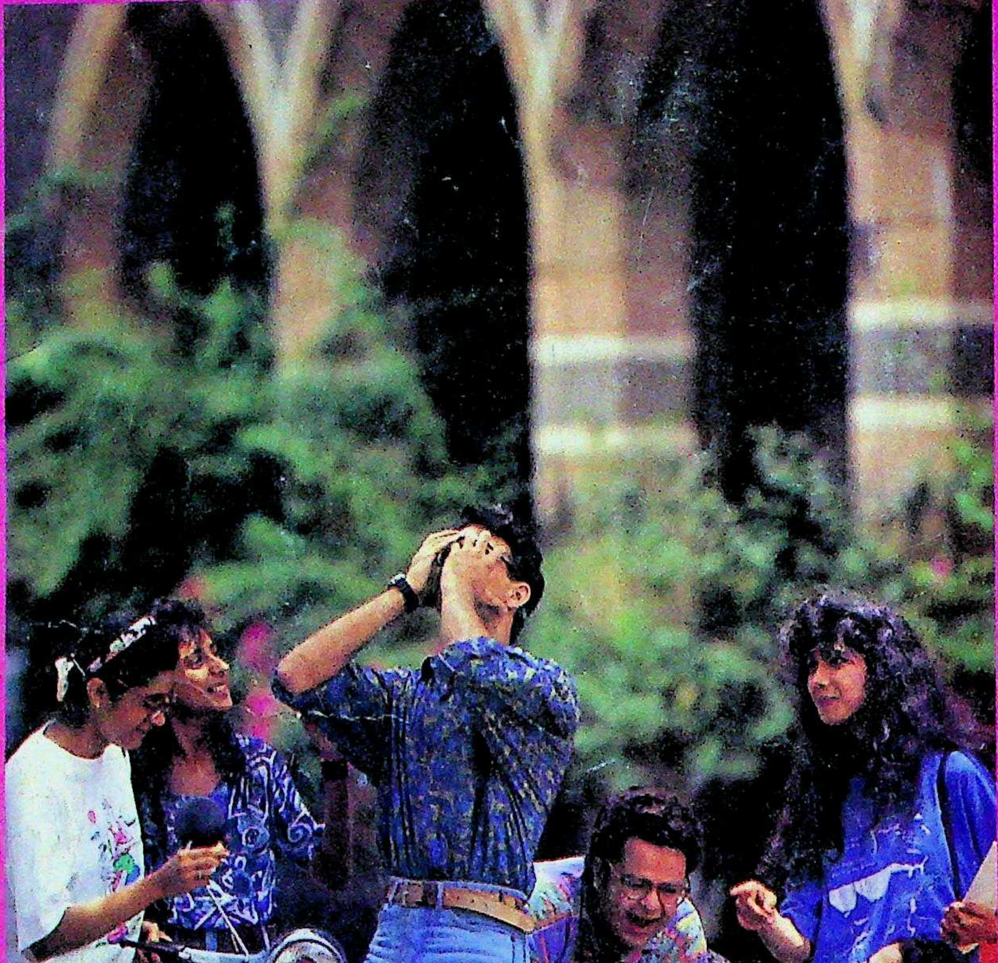
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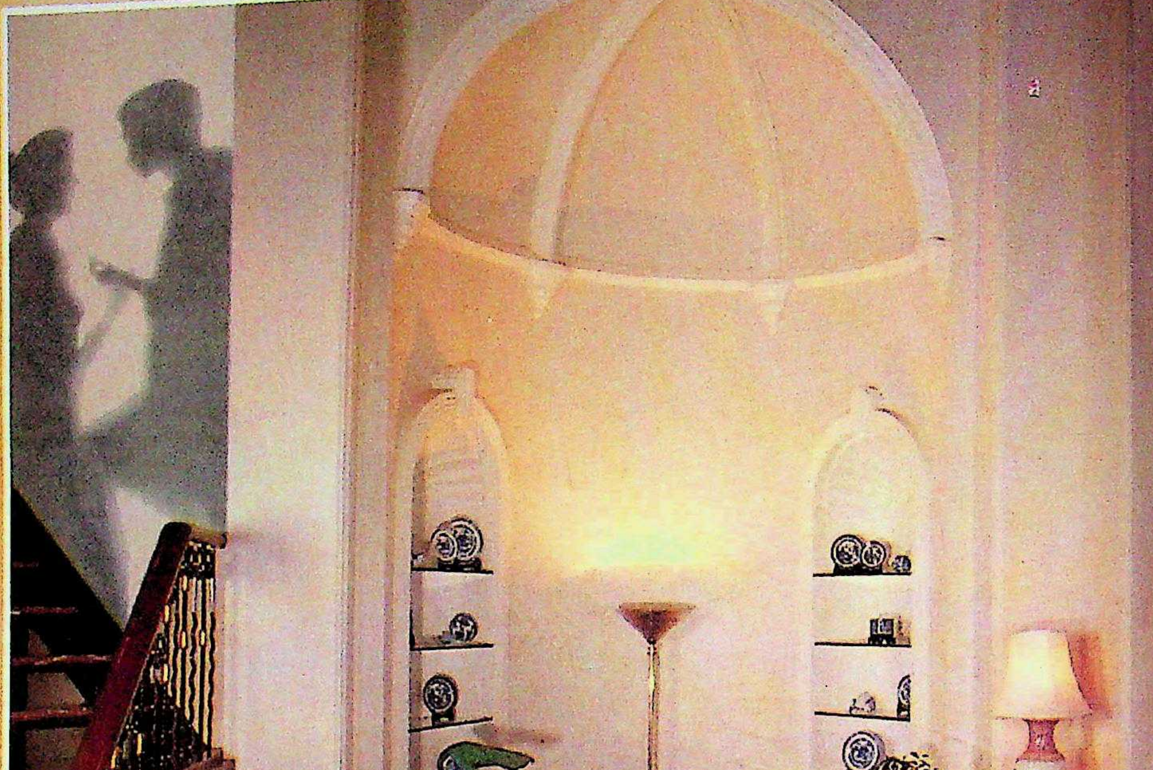
THE OTHER CONSPIRACY
HOCKEY: SUCCESS STRATEGY
FOREIGN TRADE: EXPORT OR PERISH

CONGRESS(I)

THE SONIA FACTOR

In the absence of a charismatic leader, Rajiv's widow casts a long shadow over the party. Notwithstanding her reluctance to join politics, factions jockeying for power are exploiting her name, throwing party functioning out of gear.



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IN FOCUS THIS FORTNIGHT

The Sonia Factor

Though Sonia Gandhi has shown no inclination to join politics, she continues to be a key factor in Congress(I) politics. A report on the groups which are trying to exploit her name in order to gain influence and power and where she stands herself.

COVER STORY 62

The Web Widens

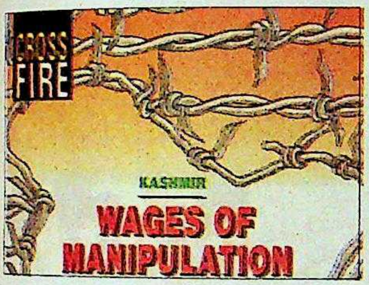
Though Sivarasan and Shubha, main suspects in the Rajiv Gandhi assassination, are still at large, the SIT has unearthed a wider conspiracy with international dimensions even as the LTTE disowns its key hit man, one-eyed Jack.

SPECIAL REPORT 30

Political Pressure

The Government's decision to cut fertiliser subsidy has snowballed into a major issue. The finance minister gave in as a section in the Congress(I), worrying about vote banks, joined the Opposition in demanding that the subsidy continue.

SPECIAL REPORT 37



Wages of Manipulation

In the fifth of the INDIA TODAY series of debates, George Fernandes, M.M. Joshi, Saifuddin Choudhury, M.J. Akbar, B.G. Verghese, Balraj Puri, P.A. Rosha, P.K. Dave, Riaz Punjabi, and Lt.-Gen. (retd) M. Thomas discuss the Kashmir issue.

KASHMIR 75

Doubleliön

Export or Perish

Indian exports need an urgent boost. As promoting trade becomes the External Affairs Ministry's main task, new products and markets will have to be found in addition to beefing up the export of value-added traditional items.

BUSINESS 102

Success Strategy

After an authoritative win in the Azlan Shah Hockey Tournament in Ipoh, the Indian hockey team is now looking beyond the Olympic qualifying rounds. Plus a profile of captain Pargat Singh, one of the best players in the game.

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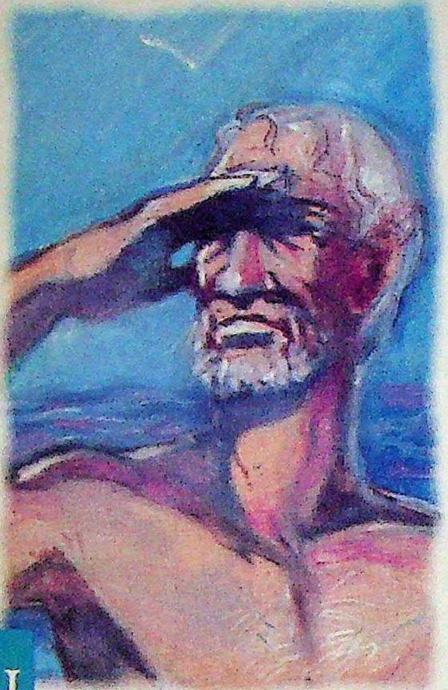
Cover photograph by PRAMOD PUSHKARNA

ANNOUNCEMENT

On account of devaluation, the cost of imported newsprint has increased very sharply. This does not take into account further increase proposed by the STC which has not been accepted by the industry.

To partially offset the increase in costs, we are constrained to raise the price of INDIA TODAY from Rs 12 to Rs 15 w.e.f. the next issue i.e. September 1-15, 1991. The new annual subscription rate will be Rs 288 and will apply to all renewals or new subscriptions received after September 1, 1991.

We hope our readers appreciate our compulsions and continue their valued patronage.



Haroon Rashid Sheikh. He has been diving for pearls for the past twenty five years. Crows feet under limpid blue eyes. Hands bruised from handling the tug rope. He knows the search for the elusive pearl is tedious.

Once the boat crosses the breakers and enters the deep green placid waters of the Arabian sea, Haroon stands erect. Loin cloth billowing in the wind. His lithe body taut with eager anticipation. He prays. Will it be today? In a splash he is gone. No ripples. No movement. The depths of the ocean claim him.

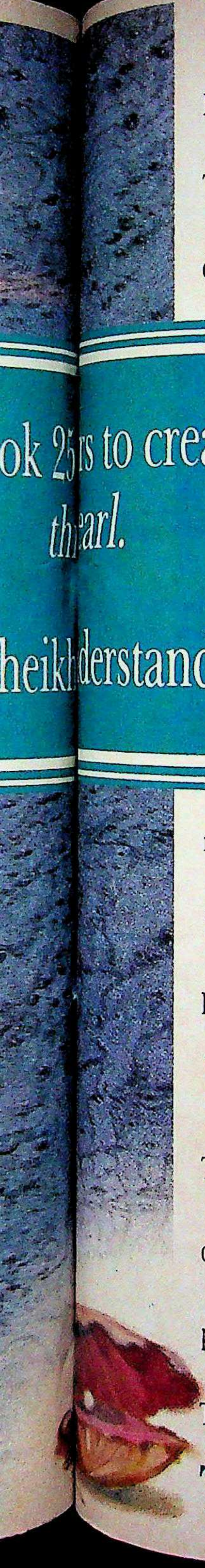
Haroon stretches himself in his search for the pearl. Over the years he has learnt to see underwater, with his naked eye. His reward is the experience. So exclusive. So rare. So personal.

We took 25rs to
th arl.

Haroon Sheik ders

Picking up the oysters, he gingerly puts them into his net bag. Hoping. Wishing. But never despairing. The pearl. You never know. When. Which one. His lungs bursting, he pops up; spewing water and gasping for breath.

Then the search for the oysters follows.



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heik derstands why.

Nervous. Anticipating. Finally the euphoria. The joy. The pearl. Yes, sometimes Haroon does find one.

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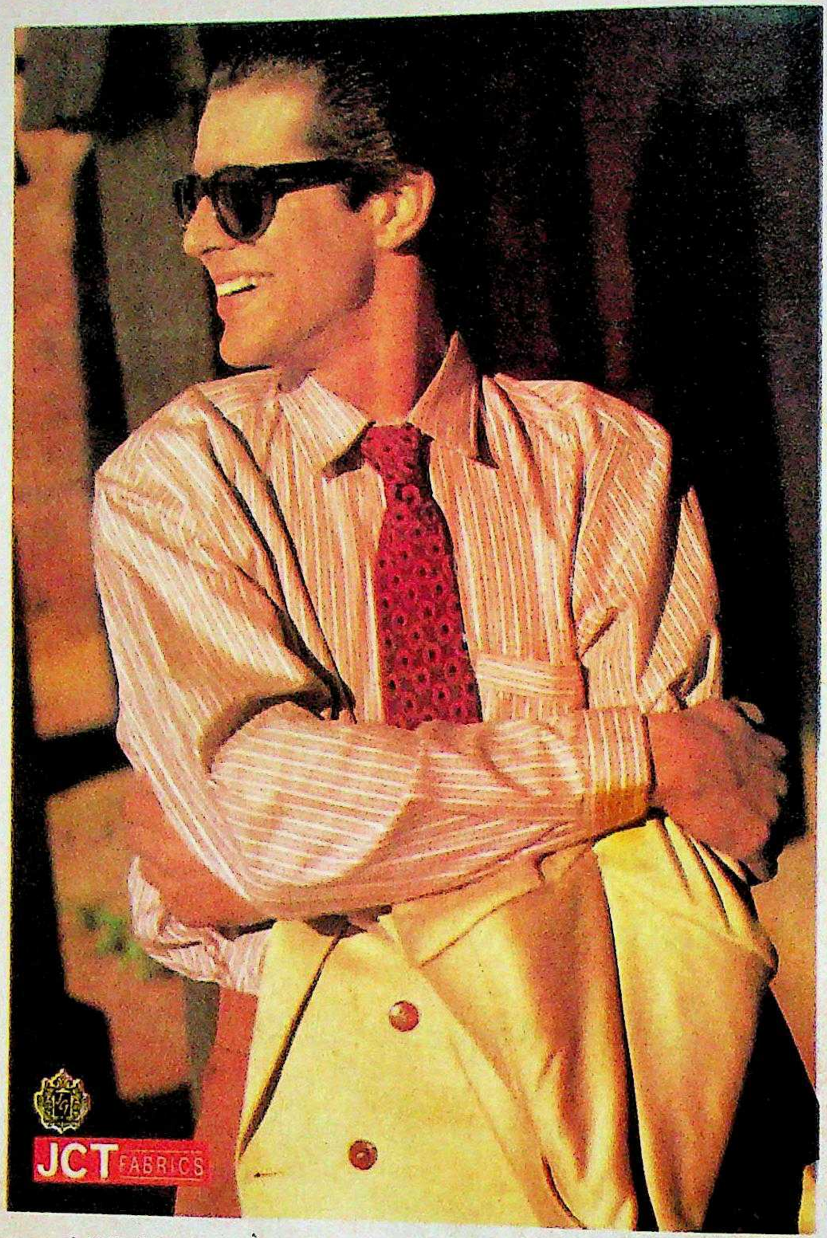

ONE THING DAD TOLD ME WHEN
I WAS A KID
'SON, A SHIRT LOOKS BEST
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TEMPERATURE TOUCHED 40°C
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THIS YEAR I'M COOL

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APOLOGISE FOR THE PAST

I have carefully read the new trade policy, the industrial policy and the budget ("Ending the Licence Raj", August 15). As a bare minimum, all politicians and bureaucrats responsible for framing and implementing the policies of the Government in the past owe our nation and its people one big apology.

New Delhi **RAMDASS KESWANI**

IN THE RIGHT DIRECTION

You deserve kudos for your excellent story on the economy ("Shock Treatment", July 31). The bitter pill being administered is the only way out of the present crisis. Bureaucratic shackles and various government controls have landed the country in the present financial mess.

Chandigarh **SANJEEV GAMI**

■ Multinationals and top industrialists from abroad will bring in the latest technology so that goods produced can be exported to the rest of the world at a competitive price. This way we will get the latest technology as well as provide employment. The Government should encourage outside investors, especially when investment will encourage the production of goods for export.

Kanpur **RAAJ G. MEHROTRA**

■ The report on the industrial policy makes a pertinent appraisal of the economic situation. With proper husbanding, there is tremendous scope for the economy. For example, in smaller towns, transport needs can be met by using the cycle-rickshaw, the use of cars could be restricted to odd and even registration numbers on alternate days in bigger towns. And of course public transport should be improved in every city and town.

New Delhi **P. LAL**

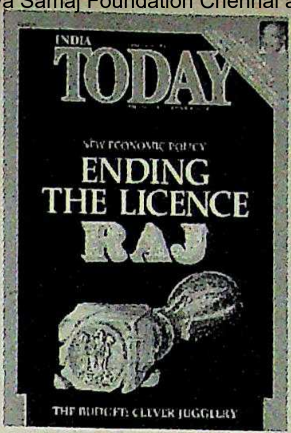
■ The measures to boost the economy are steps in the right direction. With the whole-hearted support of the people, these steps will ensure that India is appreciated by the rest of the world.

Bangalore **BHAVANI SINGH**

TIME TO ACT

Militant activity has reached alarming proportions in the Valley ("Kidnapping Trauma", July 31). It is high time the Government worked out a definite strategy to deal with the terrorists. And the press must make a concentrated effort not to give undue publicity to the terrorists' disinformation campaigns.

New Delhi **H.K.L. GANDOTRA**



INDIA TODAY

NEW ECONOMIC POLICY
ENDING THE LICENCE RAJ

THE BUDGET: CLEVER JUGGLERY

Those leaders attacking the radical policies of Manmohan Singh are the same ones who have brought the nation to its knees.

New Delhi **SIBNATH ROY**

No political party has been willing to open up India's economy to the world so far. Liberalisation will cause initial hardship but result in a richer, developed India.

Notts., UK **REYAZ RATAN MAMA**

VOLUME XVI NUMBER 16:
FOR THE FORTNIGHT AUGUST 16–31, 1991

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■ One does not know how many more innocent lives will have to be lost before the Government realises that there is only one effective way to combat terrorism, and that is with decisive action.

Srirangam **N. LAKSHMI**

LAUDABLE DECISION

The decision of the Haryana Government to scrap the controversial 'Disneyland' project ("Dumping A Fantasy", July 31) deserves loud applause. Such silly projects which require large areas of agricultural land and huge sums of money constitute nothing more than an insensible waste.

Varanasi **ABHINANDAN K. SINGH**

■ Om Prakash Chautala's 'Disneyland' fantasy served as a blessing in disguise for Bhajan Lal. He was able to take the credit for scrapping the project. Finally, Bhajan Lal has got an opportunity to serve the people of Haryana, courtesy Chautala.

Cuttack **ARTA MISHRA**

SCOPE TO REDUCE

The article ("Cut with Caution", July 31) made for interesting reading. The statistics quoted on defence expenditure by General K. Sundarji are indeed a myth. A close look at the figures will indicate that the expenditure did not double between 1976 and 1990 but between 1985 and 1990. There is considerable scope for slashing defence expenditure without impairing defence preparedness. Over the years our armed forces have become bloated and cadre reviews have made them top heavy. If we are serious about cutting defence expenditure, we must form a committee again, under an intelligent and knowledgeable man like Arun Singh. And the members of such a committee should be management experts.

Pune **Adm J.G. NADKARNI (Retd)**

LEAVE THEM IN PEACE

I was horrified to read that R.K. Dhawan wants Mrs Sonia Gandhi to join politics ("Interview of the Fortnight", July 31). Right now, everyone should leave the bereaved family alone to allow them to overcome their sorrow. I doubt that Sonia or her children would be enthusiastic about politics any more. Politics gave them everything, but extracted a heavy price in the end.

Patna **JAYA PRASAD**

■ The interview with R.K. Dhawan leaves much scope for reading between the lines. He has asserted his loyalty to the Gandhi family in no uncertain terms. That is his politics.

Nagpur **B.L. MAJUMDER**

MEDIOCRE MOVIE

Your coverage of the film *Henna* ("Labour of Love", July 31) is clearly a case of overdoing things. Although the theme may be laudable, the acting, direction and music are at best, mediocre. Apart from sentiment, the film offers absolutely nothing by way of either artistic brilliance or technical distinction.

Sirohi **S. KAMBIL**

■ With no steamy sequences, *Henna*, Raj Kapoor's dream project, falls short. Sex and music were the two vital ingredients that he banked on and never had any hesitation in using. Perhaps the younger generation of Kapoors does not have as much influence over the censors as their father used to have.

Vijayawada **MOHAMMED ARIF**

TRIVIALISING AWARDS

The essay ("Trivialising Titans", July 31) is truly an eye-opener. It would sound much better if the Bharat Ratna is renamed the 'Posthumous Bharat Ratna'. And only dead politicians be made eligible.

Shivampet **C. JEEVAN RAO**

■ The essay is thought provoking. It does not matter whether services rendered by an individual are recognised with an award. To the dead, it is of little consequence what we do in centenaries and celebrations, nor is the younger generation particularly concerned about them. What is important however, is whether we gave them their due while they were amongst us.

Pune **GORA RAY**

SHANKAR

The Namboodiris of yore were interested in retaining power by perpetuating mass ignorance. Their decline may well have helped develop today's highly educated Malayalees.

Calcutta **GAURAB BANERJEE**

The social status of the children of the illegitimate Namboodiri wives should also have been discussed.

Delhi **SUBBUDU**

CAPITAL MISTAKE

North India's first revolving restaurant ("Briefings", July 31) was built in Mussoorie in the early '80s. Parikrama may be the first such restaurant in New Delhi but New Delhi is not north India.

Farrukhabad **RAJAN O. PAUL**

DIABOLICAL PLOT

The report on the Rajiv assassination ("The Inside Story", July 15) reveals that the SIT is obsessed with hunting for Sivarasan, when he is merely a tool or an agent of the real killer, Pirabhakaran. Existing circumstantial evidence proves this beyond all doubt. If Sri Lanka is not able to extradite Pirabhakaran, Indian forces should enter Sri Lankan jungles, even if that constitutes a violation of international law. India would be morally justified in taking such action.

Eluru **K. KUMARA SEKHAR**

■ Your article very effectively exposes the impunity with which LTTE activists were operating in our country, and possibly continue to do. It also portrays the intelligence agencies in very poor light, since they had no clue of the diabolical plot when it was being planned. And this against the man who was supposed to have had the highest security in the country.

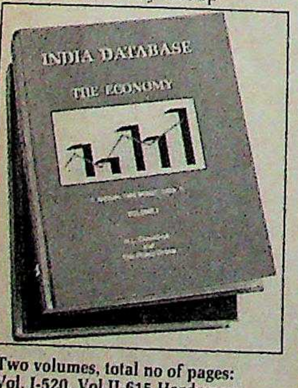
Calcutta **K. SANYAL**

■ It is time to ask ourselves why violence has become so commonplace in our national life. Every day dozens of innocent people are being killed in Punjab and Sri Lanka. Obviously the Indian forces have learnt nothing of guerrilla warfare in the Sri Lankan jungles.

Kharagpur **MAHASWETA CHAKRABARTI**

INDIA DATABASE
THE ECONOMY

By H.L. Chandok and
The Policy Group



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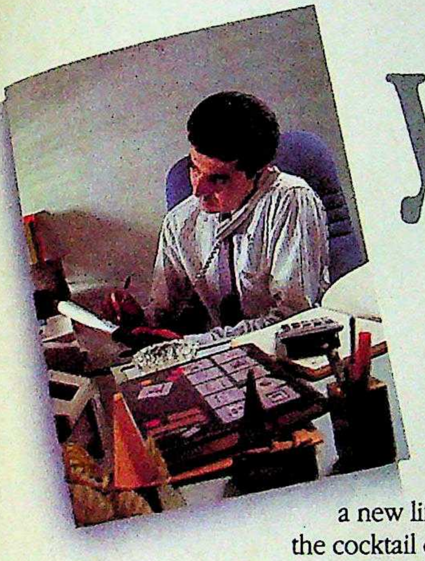

Success is no doubt rewarding and gratifying. But, is that all success brings in? It also introduces a new lifestyle. Too many late nights, meals on the run, the cocktail circuit, the inevitable rich food... Not to mention the challenges of work. Pressures, deadlines, anxiety, travel, tension and so on.

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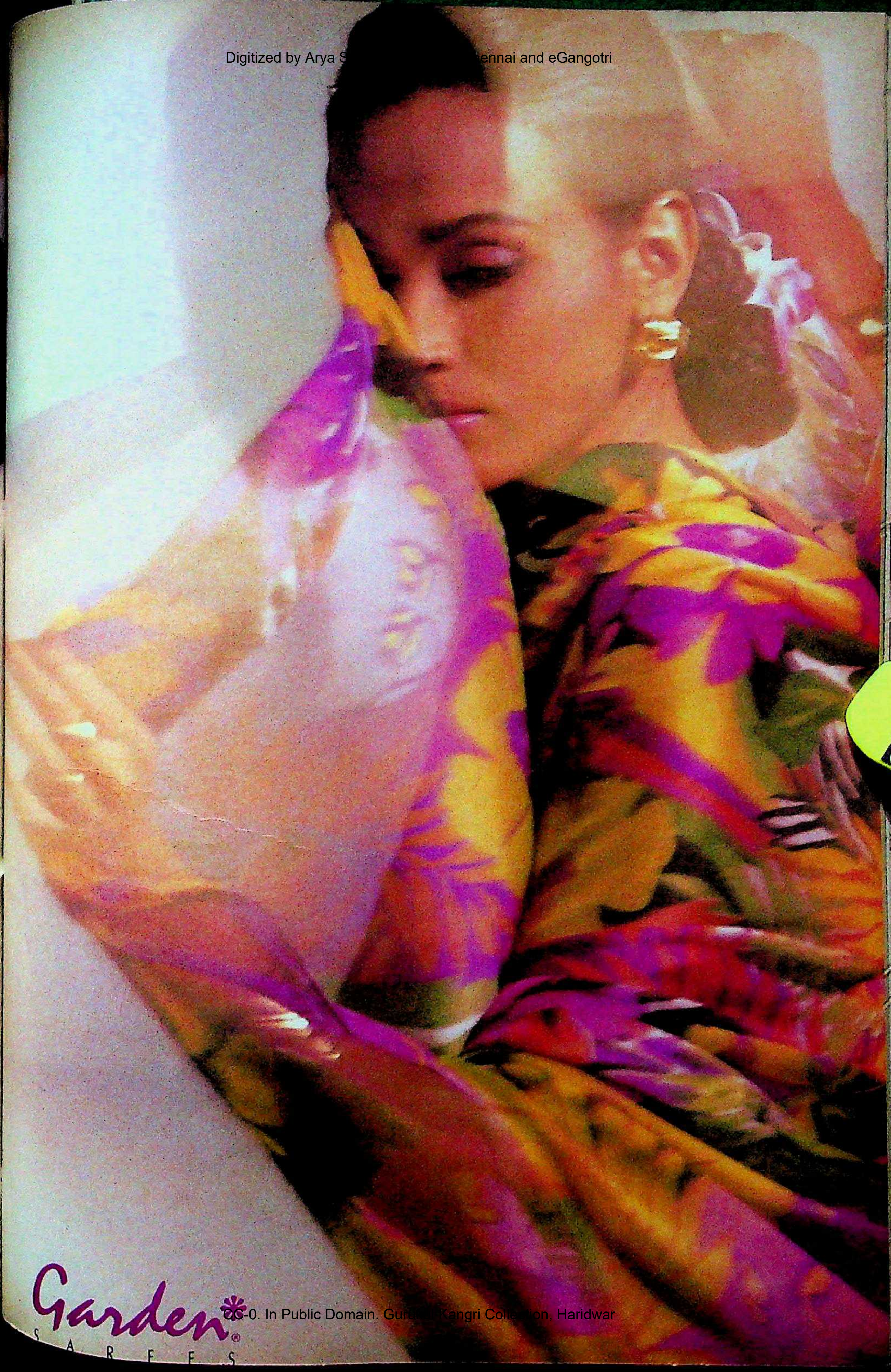
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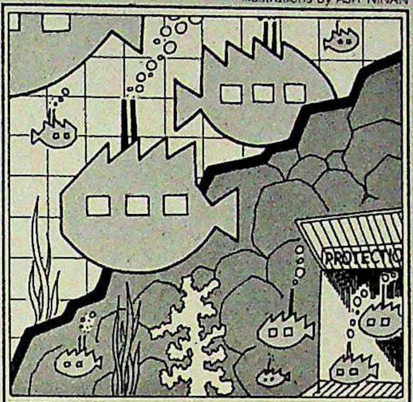
Small Must Grow

Illustrations by AJIT NINAN



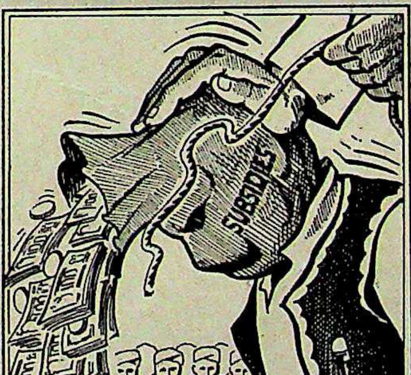
NOW that Finance Minister Manmohan Singh has taken the plunge into the turbulent waters of the free market system he must continue to insist that those who do not learn to swim will have to face up to the prospect of sinking. And as the reforms continue to unfurl, industrialists must be told in no uncertain terms that there can be no sacred cows thriving on the artificial nourishment and protection from the Government.

This should apply to small-scale industries as well. If big businesses are to face more competition following the abolition of the MRTP limit which actually served to restrict trade and promote monopolies, then the smaller ones ought also to prepare themselves for integration into the economic mainstream. For too long the Government has compartmentalised industries into areas like tiny, small, medium, large. It has protected the smaller ones through fiscal and licensing incentives and reservations in the belief that without preferential treatment small entrepreneurship would simply be gobbled up by the bigger fish.

But these policies have created vested interests in these sectors without promoting growth or increased employment. In fact, it has led to widespread corruption. The so-called "small-scale route" has become an easy avenue for obtaining public funds for setting up projects that never materialise. Many companies use this route to receive allocations of domestic or imported raw material on a preferential basis and then wind up selling it at enormous profits on the black market while their "approved" industries remain only on paper. Others, with outdated machinery or improper technology wind up sick or produce substandard or unsafe products.

They also develop a vested interest in remaining small rather than graduating to medium or large. A free market means no crutches and competition that encourages the best to compete and to grow. Removal of preferential treatment and reservations—barring exceptional cases—is an essential reform. This should be followed by devising a system of linkages, a symbiotic relationship between the small and large sectors, that would include sharing of technology and finances by the big with the small, and the production of intermediate goods and raw materials by the small for the big. The initial process will be painful but it will be essential if the nation is to produce goods that are competitive and of international quality.

Stay On Course



THE Government's backtrack on the Rs 100-crore grant to the Rajiv Gandhi Foundation was a tactical reversal from an initial blunder. But the subsequent compromise on the new fertiliser policy marks a retreat from a sensible initiative. It gives out signals that behind all the brave pronouncements cowers an uncertain and insecure government whose new economic policies may simply crumble in the face of opposition.

Prime Minister P.V. Narasimha Rao cannot at this juncture afford to show a failure of nerve or of political resolve. The fertiliser policy represents more than just a saving of a couple of thousand crores. It is symbolic of a new attitude: that the days of free lunches—of loan waivers and loan melas and politically-motivated administered prices—are coming to an end. And in any event the fertiliser policy is not really as drastic as it sounds.

While prices of all farm-related commodities have risen sharply, fertiliser prices have not been raised since 1981, notwithstanding higher production costs. These costs were absorbed by the Government through direct subsidies to the producers. These subsidies, which enabled the product to be marketed at a constant price, reached about Rs 4,000 crore last year and would have risen to Rs 6,000 crore this year. What the Government had attempted this time was to raise the price by 40 per cent, thereby allowing the market to absorb the costs, and avoid dishing out the additional Rs 2,000-crore subsidy. This was a sound step. Instead of compromising, the Government should have gone a step further and made some more cuts in the existing subsidy which mostly benefits the large farmers with marketable surpluses. This would also force the fertiliser industry—70 per cent of which is private and enjoys territorial monopolies—to cut costs.

According to official estimates about 80 per cent of the fertiliser supply goes to big farmers who have been doing relatively well. While procurement prices for cereals have been hiked by 40 per cent over the past five years, most surplus farmers sell their produce at between 30 and 50 per cent higher in the open market. This shows they can easily pass on increased costs to consumers who can afford them. The Government procures no more than one-eighth of the total food produce for buffer stocks and the public distribution system. Any continuing subsidy should address the needs only of marginal farmers.

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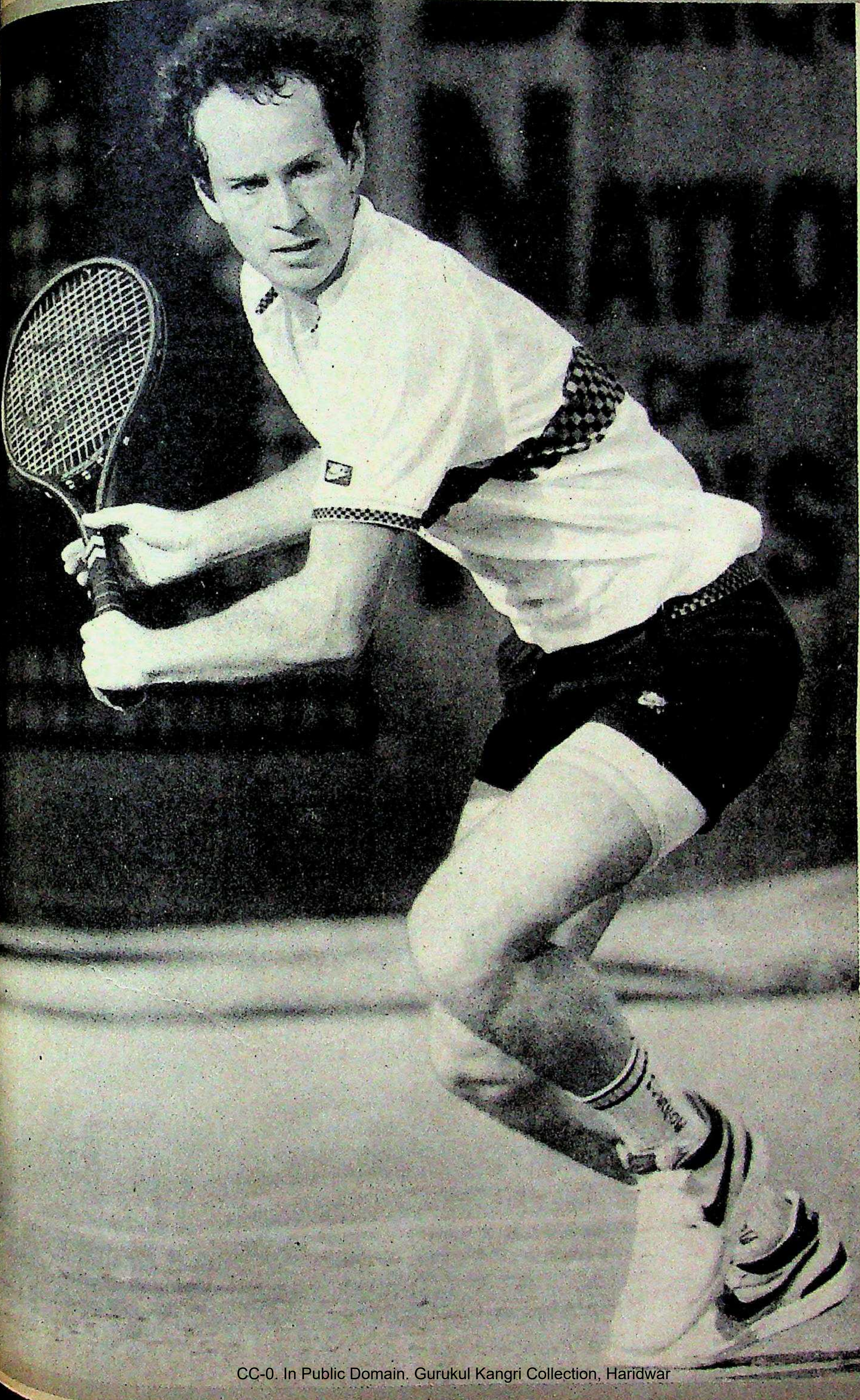

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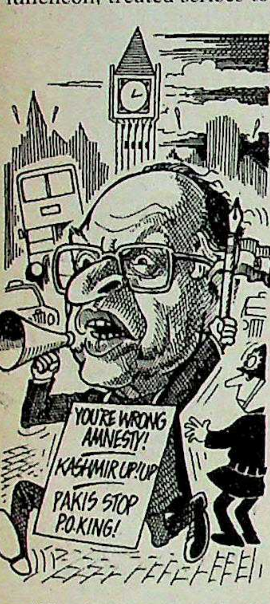
Preening Envoy

● Modesty is apparently not one of L.M. Singhvi's virtues. The present high commissioner to London, at a recent Foreign Ministry luncheon, treated scribes to an 80-minute paean of self-praise on his four-month-old diplomatic performance. Singhvi's monologue continued till his captive audience's pangs of hunger got the better of diplomacy. At which point he simply carried on at the dining table.


YOU'RE WRONG AMNESTY!
KASHMIR UP! UP
PAKIS STOP P.O.KING!

The thrust of his panegyric was that he had already undercut predominantly pro-Pakistani sentiment by personally befriending an impressive array of political luminaries starting from Prime Minister John Major, contradicting the well-deserved British reputation for reserve; had largely neutralised the anti-Indian stance of the British press with personal contact in the quality press; and embarrassed Amnesty International by contradicting their report on Kashmir within the requested time. Not expecting a rejoinder, Amnesty International had already gone ahead and distributed its own version!

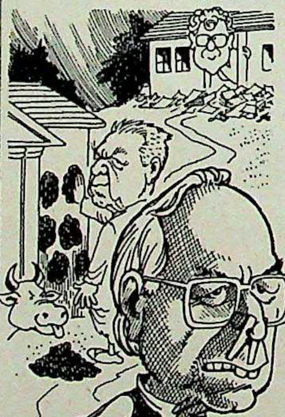
Then the fledgling diplomat declared successful diplomacy often meant being less diplomatic and more blunt. Does that also include blowing your own trumpet?

Homing In

● Guess who came to see George Fernandes the other day? V.C. Shukla. The visit however, was not to find out how his firebrand socialist friend was faring out of power. This time he was on a house-hunting trip and had come to check out the Krishna Menon Marg bungalow which Fernandes was supposed to vacate.

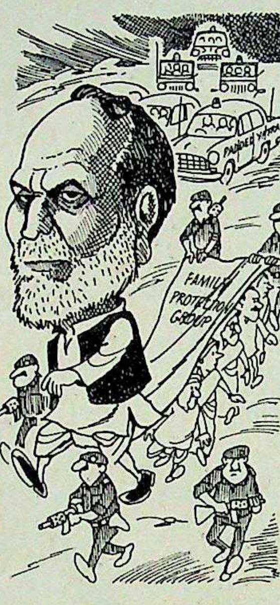
But Shukla is used to living in style. Apparently Fernandes' home did not impress him. Shukla would much prefer the sprawl of Number 1, Willingdon Crescent where he once lived. But this may prove a tough task as this is now Devi Lal's turf. Clearly house-hunting is more trying than gaining a ministry in a fresh government, something Shukla has so far managed with ease.

Cartoons by AJIT NINAN



Security Blues

● The list of VVIPs to be provided tight security cover continues to grow. Former prime minister, Chandra Shekhar, is the latest addition. In contrast to the pre-PM era when he walked through the country and people simply walked into his house, now an assistant commissioner will coordinate his security arrangements. Two armed personal security officers will shadow him round the clock.



However, the police are at a loss about providing security to Chandra Shekhar's family, as instructed by the Ministry of Home Affairs. A virtual battalion is staying at his residence, including his own family, and that of brother Kripa Shankar Singh.

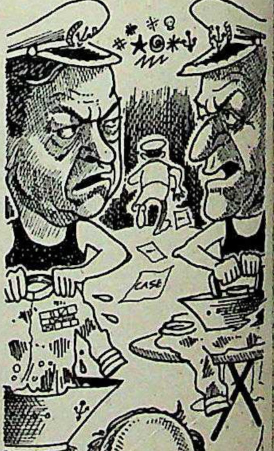
Predictably, a Delhi police officer quipped: "If all the close relatives of VVIPs are to be provided security, the SPG (Special Protection Group) will have to be augmented with an FPG (Family Protection Group)."

Sailors' Squabbles

● The tussle between then Vice-Admiral L. Ramdas and Vice-Admiral S. Jain to succeed Admiral J.G. Nadkarni as naval chief rocked the Indian Navy late last year. And it also created waves far away from India's shores.

The 1991-92 edition of *Jane's Fighting Ships* referred to this fracas in its foreword as the "unseemly battle for the post of chief of naval staff."

The ultimate winner Admiral Ramdas read the passage to naval officers attending a course at the National Defence College to highlight the fall in the service's reputation. Significantly, he also backed the appointment of controversial Rear Admiral Vishnu Bhagwat for fleet commander.



Bhagwat was proposed for the post after he withdrew a petition in the Bombay High Court indicting the navy's selection process. He attacked both Jain and Nadkarni, which automatically brightened the chances of Ramdas.

Presumably Ramdas will read *Jane's* to his officers next year too.

TAIL PIECE

(Overheard)

What is the latest evidence of the Congress(I) Government's determination to implement its imminent exit policy?

Accepting labour minister Vazhapadi Ramamurthy's resignation!

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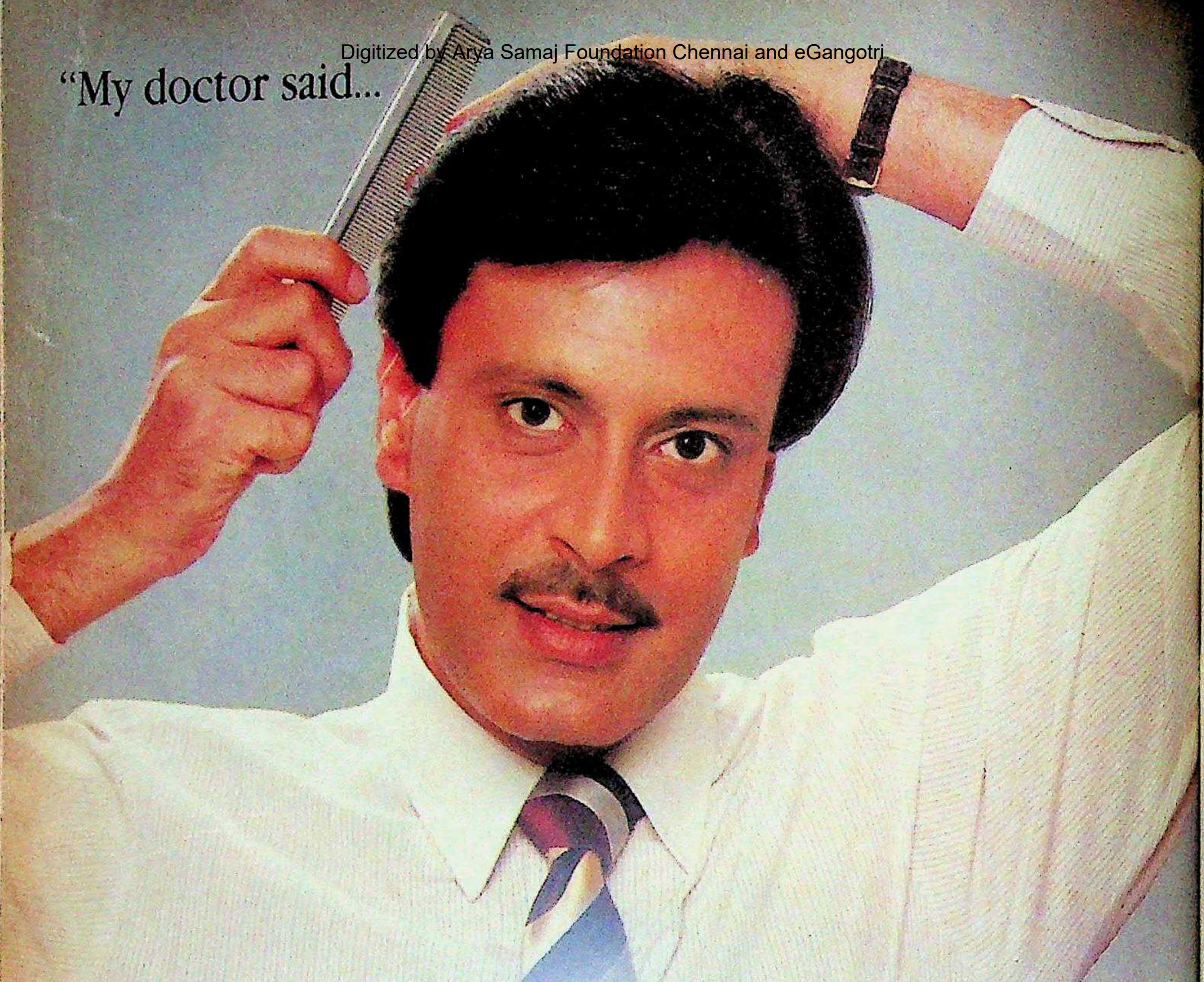

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Reference : (1) Windholz, M., Merck Index, 10th ed. p. 760, 1983 (2) Settel, E., Drugs & Cosmetic Industry, p. 121, 34, 1977 (3) Driscol, W.R., Drugs & Cosmetic Industry, p. 116, 42, 1975 (4) Krantz, J.C. et al, Pharm. Principles of Medical Practice p. 956, 1965 (5) Wade, A., Martindale, Ext. Pharmaco. p. 502, 32, 1982

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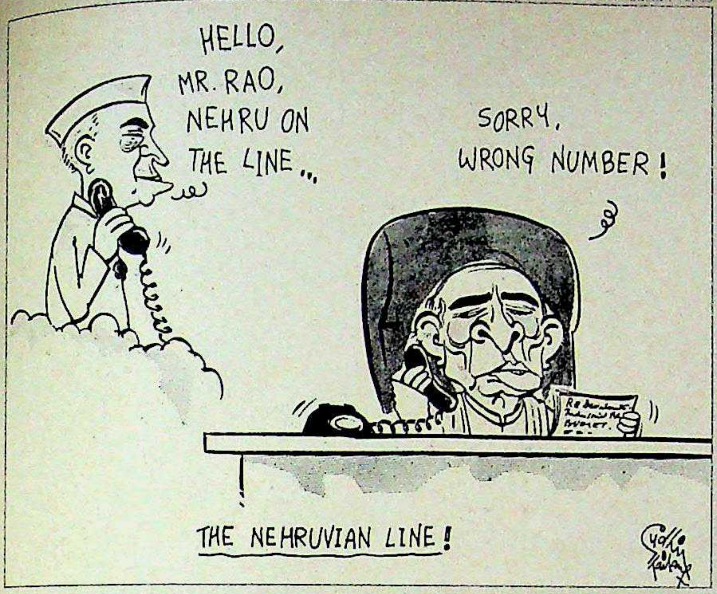
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- *In the present situation, we do not need a glamour man, but a sound man.*

  ■ V.N. GADGIL on Narasimha Rao in *Surya India*

- *The country is literally and honestly broke.*

  ■ RUSSI MODY, chairman of Tata Steel, in *The Telegraph*

- *My defeat in the elections does not mean that I have been isolated or become irrelevant.*

  ■ DEVI LAL in *Sunday Mail*

- *There is no pressure on me, only the pressure of my duty and the pressure of my conscience.*

  ■ D.R. KARTHIKEYAN, head of the SIT, in *The Sunday Observer*

- *Merely to survive, no Congress government can become a* BJP *government in disguise—a wolf in sheep's clothing; no Congress government can become a Left government in disguise—a wolf in wolf's clothing; no Congress government can become a National Front government in disguise—a sheep in sheep's clothing!*

  ■ MANI SHANKAR AIYAR in the Lok Sabha

- *When we (the* BJP*) have Sita and Ravana on our side, why is the* vanar sena *(monkey brigade) getting so excited.*

  ■ A.B. VAJPAYEE on the Congress(I), in *The Telegraph*

- *Congressmen in Bengal love to dream. And one of their wildest dreams is to rule this state.*

  ■ JYOTI BASU in *Organiser*

- *If you are beaten by Congressmen once, hit them back four times with all your might.*

  ■ N.T. RAMA RAO to party workers, in the *Deccan Chronicle*

- *I was not good enough to play for India. Why, forget India, not even at the county levels.*

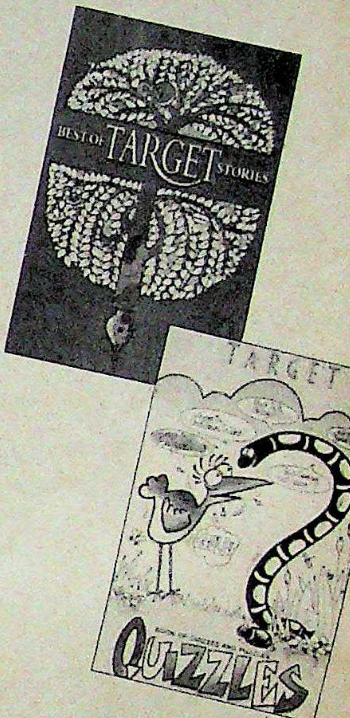
  ■ SAIF KHAN PATAUDI in *Stardust*

- *Henna was a pleasure not pressure. I do what I enjoy and I enjoy what I do.*

  ■ RANDHIR KAPOOR in *Movie*

- *As for a woman ever having made an advance towards me, it's never happened. Maybe they are scared of my biceps.*

  ■ AMRITA SINGH in *Stardust*



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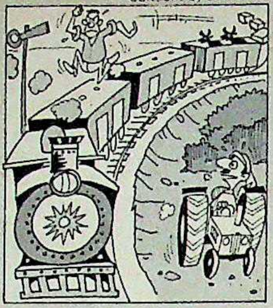
BULLET TRAIN

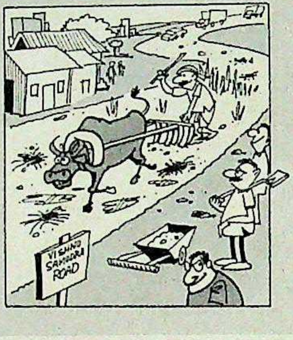
■ A 20-bogie train travelled 103 km at the speed of 60 km an hour last fortnight. No big deal except that the train wasn't manned. The cattle train had come to a stop between the Matlabpur and Kath stations on the Moradabad sector. The driver and co-driver had got down to examine the wheels which appeared to have jammed. But barely had the repair been completed when the train suddenly started moving under its own steam. Gathering speed, it passed 15 stations at a stretch, setting off alarm bells all through the area. Desperate measures were taken to stall the train: blockades were placed across the tracks and other trains made to stop. It was finally left to a young man to save the day. Doing an Amitabh Bachchan, the teenager jumped on the roof of the train, got inside the engine, and pressed every button in sight. It worked and the train was stopped in its tracks.

Cartoons by JAYANTO



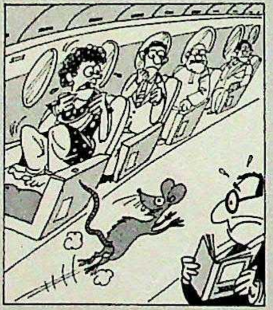
PRODUCTIVE IRE

■ If you can't perambulate, you can at least produce. That was apparently the conclusion that residents near Vishnu Samudra road in Belur, Karnataka, came to. Tired of trying to travel on a slushy, pothole-scarred road which slopes to the centre, forming numerous little puddles during the rainy season, the residents decided to put it to a more profitable use. What angered them especially was the fact that the municipality did not respond to their repeated pleas to repair the road, frequented by hundreds of pilgrims on their way to Channakeshava temple. Heavy traffic on the narrow lane is prohibited, but who cares. Well, the residents do. They ploughed up a particularly muddy stretch—making furrows and bunds, and planting paddy seedlings. Now they are waiting for the protest to sprout. They are sure they will reap as they have sown. Otherwise, next stop, dharna.



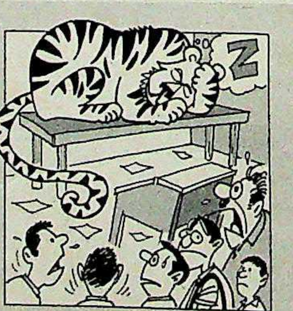
RODENT RISK

■ Rats may be known to desert a sinking ship but at least one of them has a special fascination for aeroplanes. A spirited rodent took up temporary residence in the confines of an Air India aircraft for all of nine hours last fortnight while passengers and crew chewed their nails in frustration. The substitute aircraft from Dubai was to undergo checks at Bombay for five hours, so it was not called for duty, in the hope that the little rat would come out of his lair by then. But the rat, apparently, was one of the few who enjoyed the comfort of an Air India aircraft—he refused to give up his turf. Meanwhile the crew hoped for a Pied Piper, scared as they were of vital wires being grawed away. The aircraft finally took off for Delhi the next morning, sans rat but plus angry passengers. Perhaps keeping an airborne menagerie, with cats and dogs to neutralise each other, will be the answer.



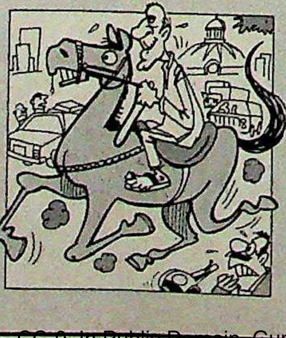
TIGER TUTORIALS

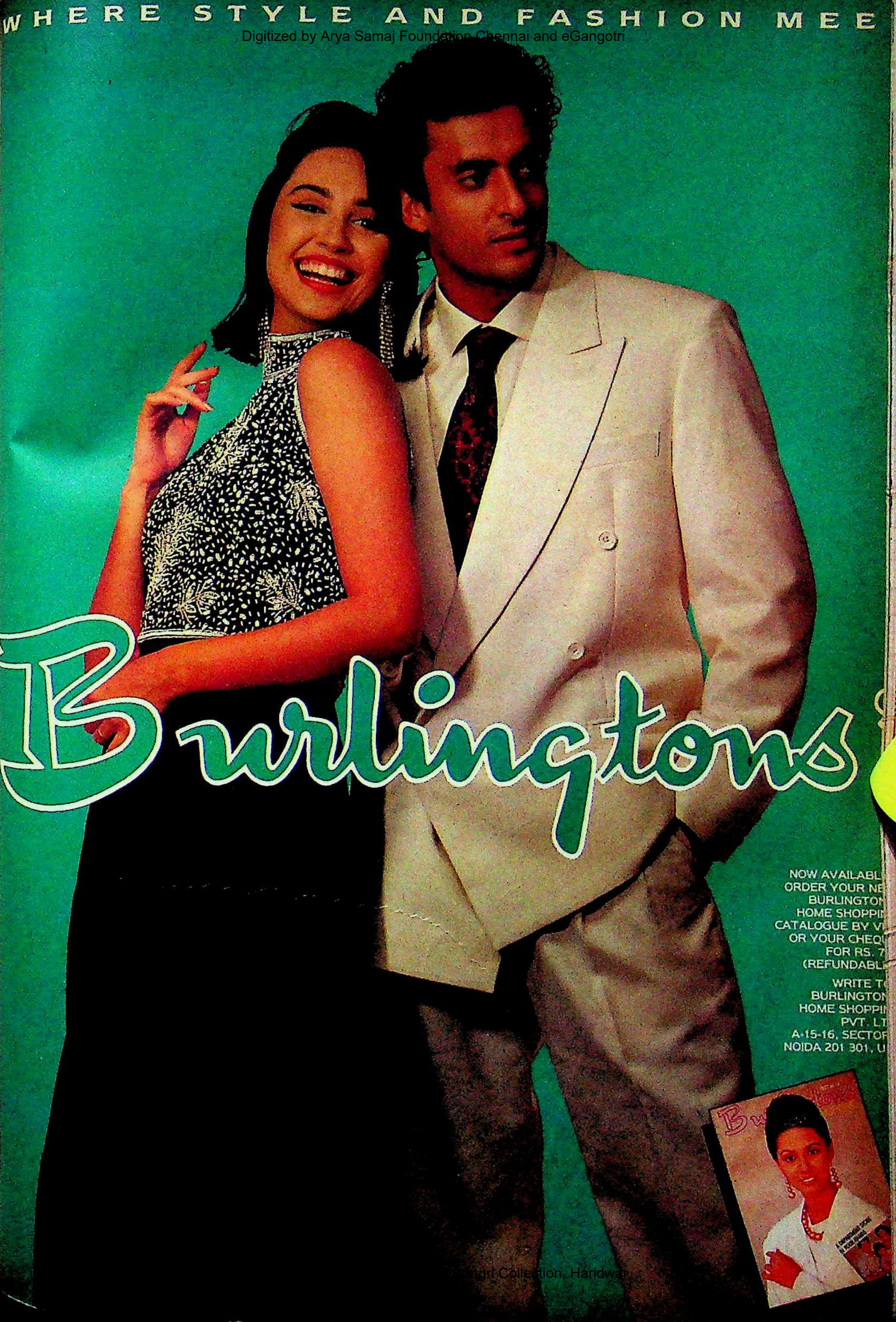
■ Just the sort of thing you would have wished for as an overburdened schoolchild. Not looking forward to another tedious day of dull dissertations, the pupils of a school in Pochnar village, Maharashtra, were certainly diverted when they stepped into the classroom. The kids had heard of the Marathi nursery rhyme which talks of a tiger coming to school, but to see a live specimen asleep in their room was a shock. Suitably miffed at his stupor being disturbed, the tiger growled and glowered, to the accompaniment of falsetto screams from the petrified pupils. Both managed to scare each other away, but the teachers are dreading a repeat performance. Since the school building consists of only two rooms, of which only one has a door, they will have to shop for some wood and steel to keep trespassers out in future.



EASY RIDER

■ All the people who have been thinking of swapping motor cars for some cheaper form of transport can now take a leaf out of this gentleman's book. A long-time resident of an old-world section of Lucknow, this 67-year-old man has no qualms about riding through the bustling streets of his city on a horse. While he definitely adds to the chaos that characterises the city—rubbing flanks with sleek cars, screeching autos and functional bicycles—he is quite happy to save on the petrol bill which is riding high. For him it is also the added pleasure of retaining a part of his heritage—the horse he currently swaggers on is the only remnant of his ancestral stable. And given the fact that he is a retired pensioner, not only is it wiser but also cheaper. Horses don't come under the budget, as yet. So we can all use our horse-sense.

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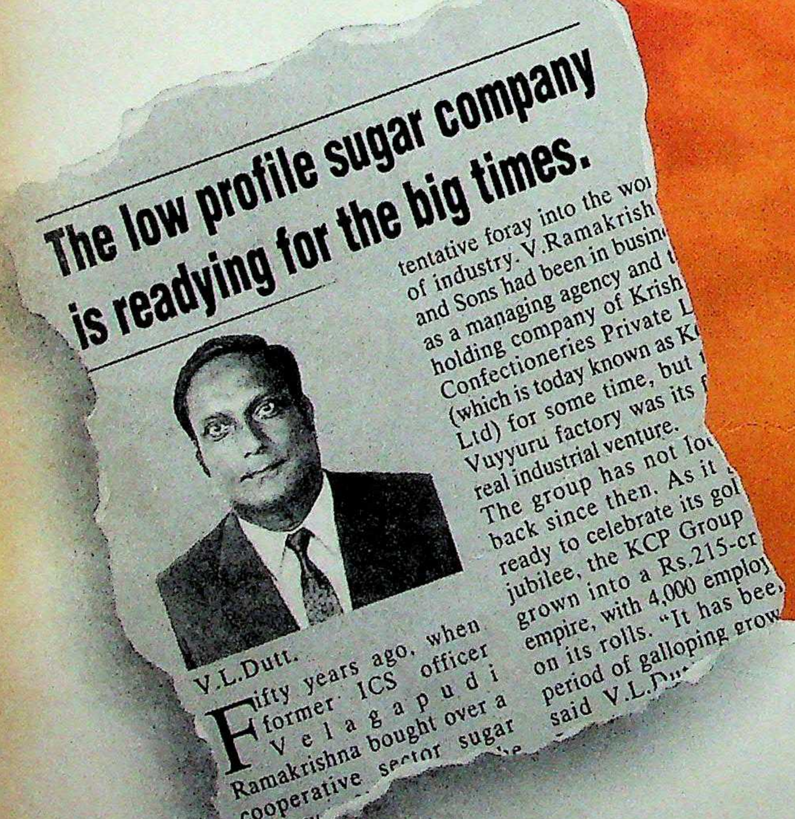

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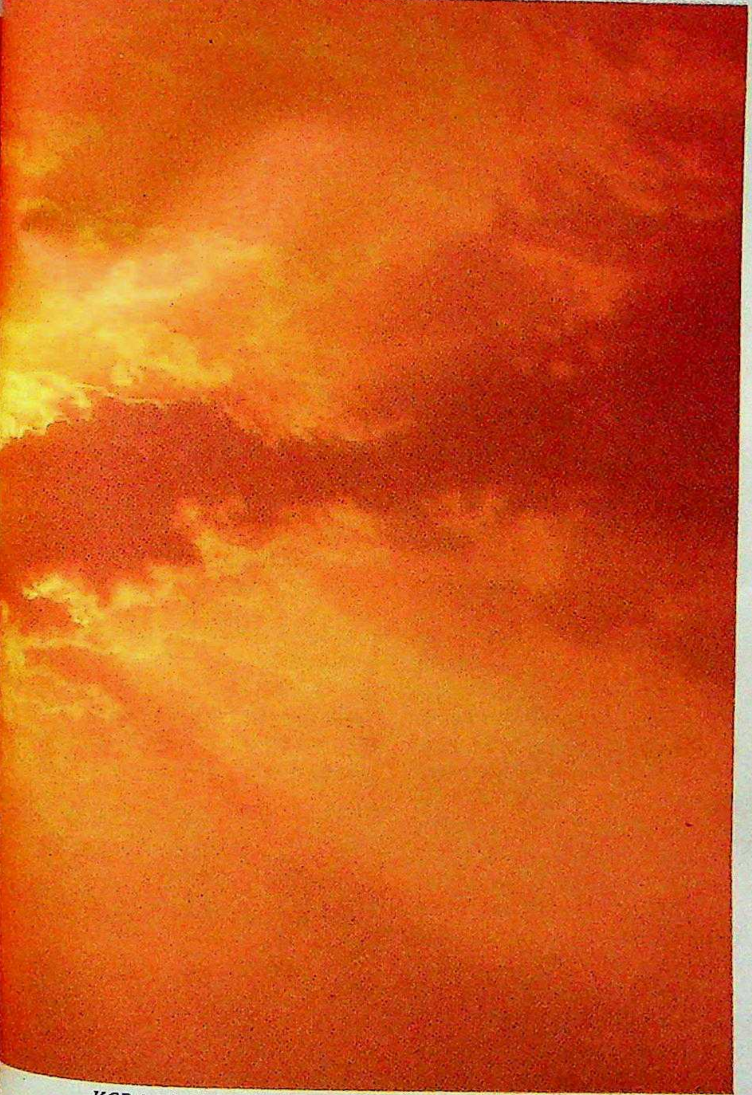

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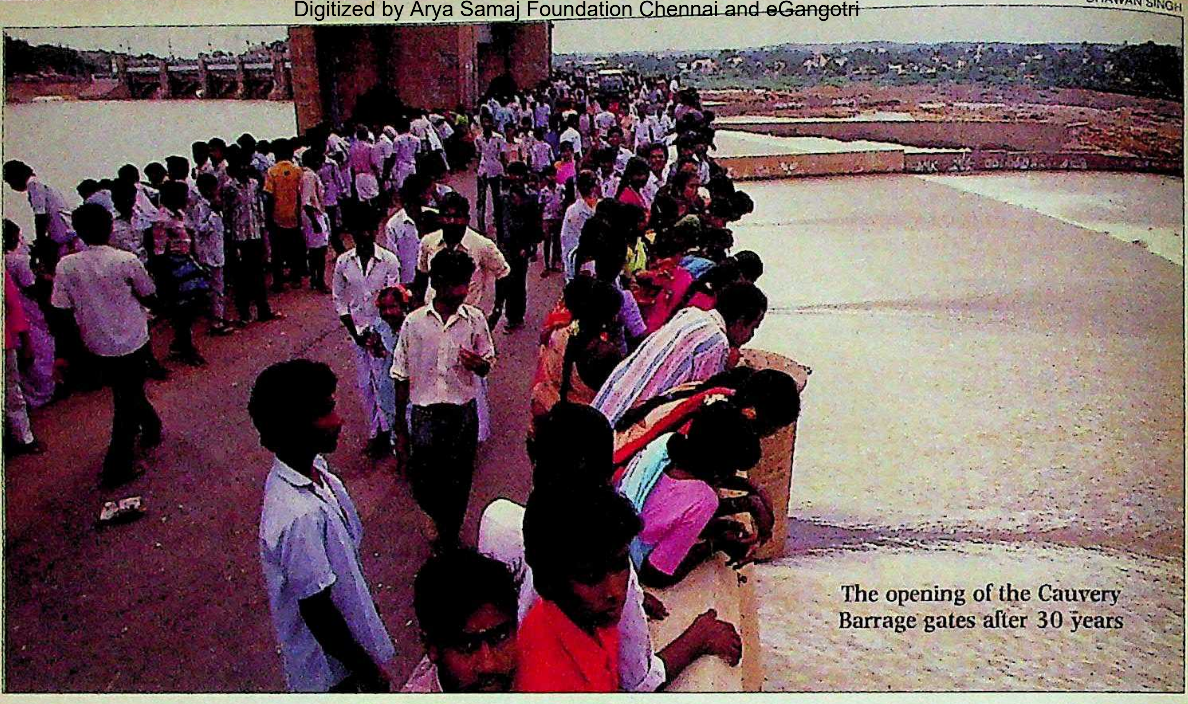


The opening of the Cauvery Barrage gates after 30 years

CAUVERY DISPUTE

Flood of Fury

Politics more than water throws Karnataka and Tamil Nadu into disarray

By ARUN CHACKO

IT wasn't so much provincial rivalry over limited water resources, or some venal opposition plot that led to the alarming political repercussions at the Centre and the states of Karnataka and Tamil Nadu. It merely took disgruntled factions of the ruling party—long the bane of Indian politics—to fashion that.

In fact, if anyone wanted to script the destabilisation of the month-old P.V. Narasimha Rao Government, few could have done better than the Congress(I) Karnataka Chief Minister S. Bangarappa. By rejecting an interim award on sharing the Cauvery river waters with largely parched Tamil Nadu by a counter ordinance, the defiant chief minister almost brought the new Government to the brink. But that single act of defiance backfired, ultimately destabilising his own position, and threatening to split the TNCC(I) in half.

Bangarappa remained unrepentant. "Just because no other state has invoked this provision of the Constitution does not mean we cannot do so," he declared. In reality, Bangarappa was attempting to kill two birds with one stone. Faced with severe dissidence within his own party, the backward caste chief minister was trying to broadbase his support as well as warn the Centre not to encourage a revolt.

Predictably, the weapons Bangarappa used to hit back were the ruling factions antagonistic to the prime minister. Congress(I) sources say the needle of suspicion points to the coterie and ex-minister P. Shiv Shankar—both upset at their recent marginalisation. Bangarappa's links with the coterie are strong as it was apparently instrumental in his appointment. Obviously the chief minister's ploy hasn't worked.

Narasimha Rao appears to have weathered the storm, but there's some doubt if Bangarappa will. The state Government's ordinance not only infuriated Jayalalitha, but also his partymen. Declared cabinet colleague K.H. Patil: "Bangarappa could have consulted the AICC(I) president before promulgating the ordinance." Senior Congress(I) leader K.H. Srinivas concurred. Dissidence quickly snowballed.

The seeds of upheaval really lay in New Delhi's failure to crack the whip on a contumacious chief minister, despite several weeks of pleading by Tamil Nadu's AIADMK Government. Narasimha Rao gave Bangarappa a telephonic dressing down, then magnified

S. BANGARAPPA

"We'll accept court's order"

AS dissident activity mounted against him, Karnataka Chief Minister S. Bangarappa spoke to Senior Correspondent SARITHA RAI about the controversial Karnataka-Cauvery Basin Irrigation Protection Ordinance 1991. Excerpts:

Q. *Whose idea was it to promulgate the ordinance?*

A. The matter was examined by our advocates and on their advice we the mess by indecision. First, he asked: "How are we concerned with the dispute? It is a matter between the two states." Then he referred the matter to the Supreme Court, whose decision Karnataka promises to abide by.

Predictably, Tamil Nadu Chief Minister Jayalalitha hit back in anger, dubbing the Supreme Court referral an "eyewash" that "intended to delay justice to Tamil Nadu". Then, to prove her indispensability to the Central Government's survival, she threatened the resignation of her party's 11 MPs.

This also precipitated an imminent TNCC(I) split between hostile groups. The leader of the pro-Jayalalitha faction, Union minister of state for labour Vazhapadi K. Ramamurthy, criticised New Delhi for inaction. "I can't understand why the Centre referred it to the Supreme Court," he added. And, after Jayalalitha praised his stance, resigned in protest. Meanwhile, Jayalalitha was quick to criticise Union ministers P. Chidambaram and M. Arunachalam for not offering their resignation, and announced their boycott by her state.

Amusingly enough, TNCC(I) president Ramamurthy's resignation was precipitated by a clear case of mistaken identity. His faction favoured close links with the AIADMK. The faction led by G.K. Moopanar wanted an independent political existence. While both were critical of Central prevarication, the former labour minister was not publicly hostile to the prime minister, though miffed at not being given cabinet rank.

However, when the pro-Moopanar MP, Tindivanam K. Ramamurthy, criticised the Centre's position, Jayalalitha mistook him for the labour minister and praised his courage. Vazhapadi Ramamurthy was left with no option but to resign the next day. His supporter, minister R. Kumaramangalam, also submitted his resignation, but it was not accepted. Ironically, it was Vazhapadi who dissuaded him from pressing it. Unimpressed, Jayanthi Natarajan, a rival faction MP remarked: "He cannot embarrass his own government. He must abide by party discipline or quit."

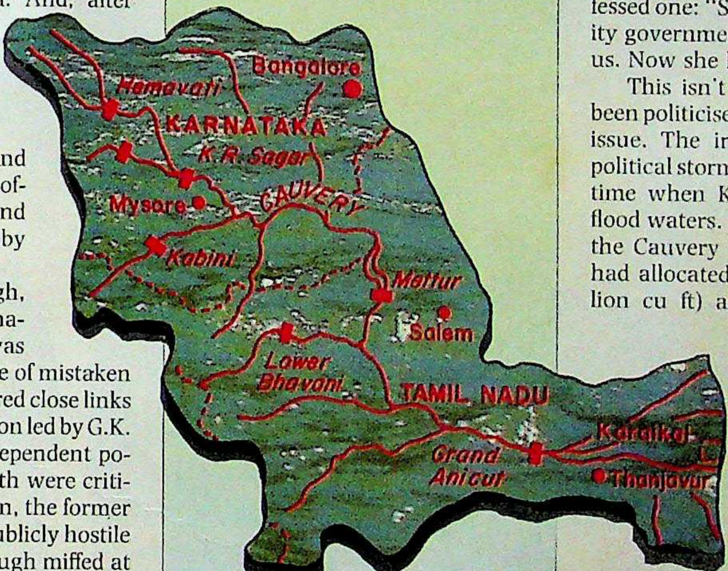
However, Vazhapadi's ratings in Tamil Nadu have shot up. But his hold on his own faction in the TNCC(I) appears to be slipping. MPs from his faction are miffed at Jayalalitha's arrogance. Confessed one: "She thinks ours is a minority government and she can blackmail us. Now she has gone too far."

This isn't the first time water has been politicised and made a contentious issue. The irony is that this time a political storm over the issue comes at a time when Karnataka was awash in flood waters. And the interim award of the Cauvery Water Disputes Tribunal had allocated 205 TMC (thousand million cu ft) annually to Tamil Nadu. But in June and July the Mettur reservoir had received 90 TMC. Clearly, facts and reason have a minor role to play in political brinkmanship.

—reported by
SARITHA RAI and
KAVITHA SHETTY

JAYALALITHA

- Tamil Nadu wants 205 TMC yearly for the entire delta.
- Base dialogue on the mutual agreement of 1973.
- Penalise Karnataka for illegal dams on tributaries.



decided to promulgate the ordinance.

Q. *Did you speak to Narasimha Rao about your government's move?*

A. We talked about it a day after the ordinance was promulgated.

Q. *Didn't you consult him before?*

A. It's not a question of consulting the prime minister. The ordinance is a right under the Constitution; we exercised it. I can't understand all this fuss.

Q. *Was he upset you didn't tell him earlier about the ordinance?*

A. All that is false.

Q. *Will your government be morally obliged to resign if the Supreme Court strikes down the ordinance?*

A. Resign? I don't think the ordinance has anything to do with it. If the court directs the ordinance be struck down, we'll accept that.

Q. *Did you ever consider the political implications of promulgating such an ordinance?*

A. There is no politics in this. We were only exercising our legal right.

Q. *But your party's government at the Centre rules in a minority.*

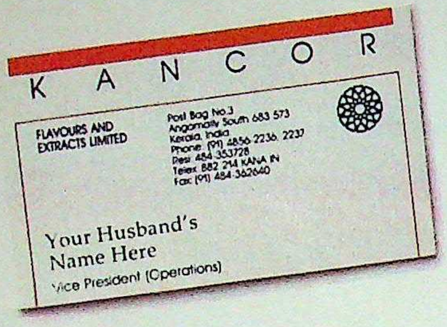
A. That's unconnected with this matter. There'd have been greater trouble if the Rao Government had refused to grant the order.

Q. *What about the embarrassment caused to the prime minister?*

A. I had no intention of causing embarrassment to anyone, least of all the prime minister. This ordinance should help bring Tamil Nadu to the table.

BANGARAPPA

- Karnataka wants 465 TMC out of a total of 790 TMC.
- Determine water availability from current data.
- Ground water in Tamil Nadu's delta be accounted for in allocating its share.



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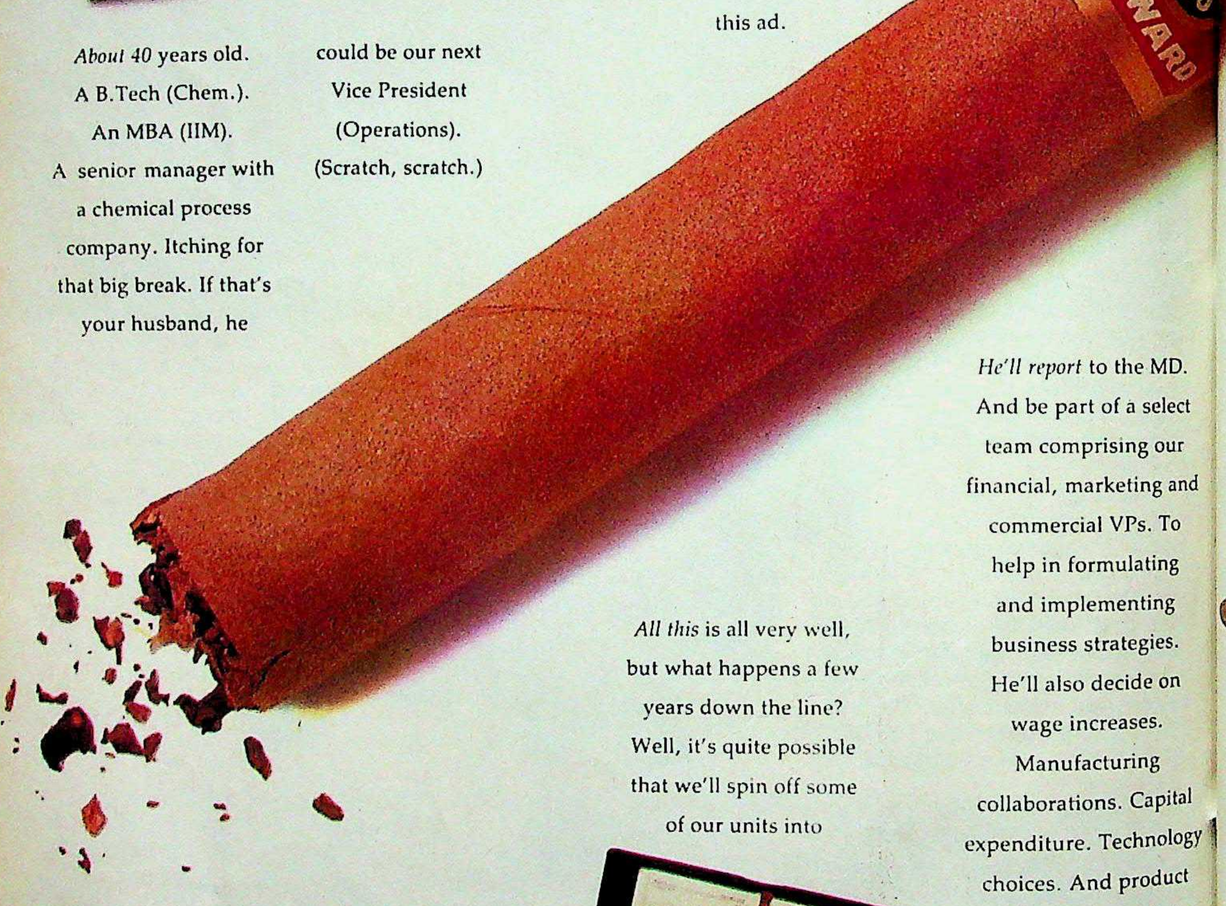
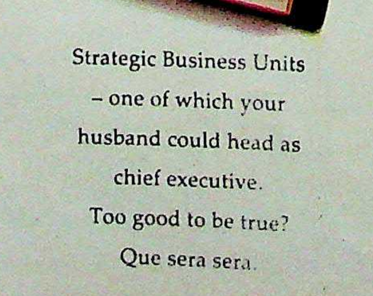
Of course we'll pay him handsomely. Of course we'll give him a bungalow and car in Cochin. Of course this is the opportunity he's waiting for. Of course you're going to be mad if he doesn't read this ad.



He'll report to the MD. And be part of a select team comprising our financial, marketing and commercial VPs. To help in formulating and implementing business strategies. He'll also decide on wage increases. Manufacturing collaborations. Capital expenditure. Technology choices. And product prioritisation. Is that a challenge or is that a challenge?

All this is all very well, but what happens a few years down the line? Well, it's quite possible that we'll spin off some of our units into



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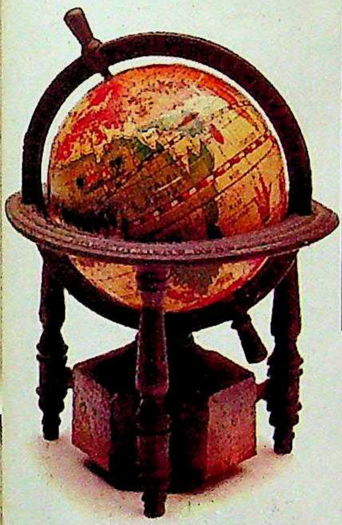

– in this case, in spice oleoresins.
Next question: How many times does opportunity knock?

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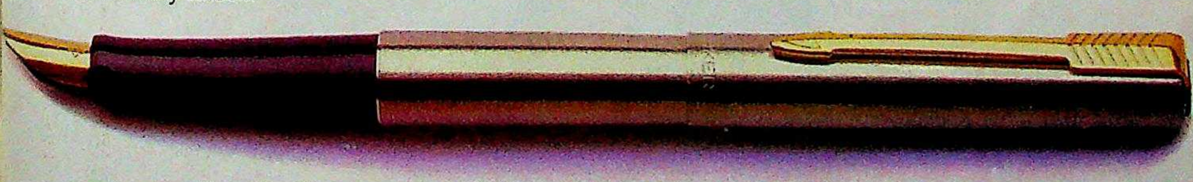
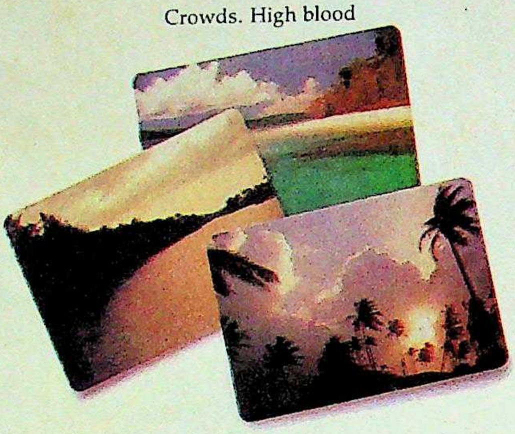


Enough said. Ask your husband to write to Sanjay Mariwala at Kancor Flavours & Extracts. The address is on the visiting card. And the visiting card could soon be in your husband's briefcase.

Tell her you won't know what to do on weekends and holidays. Swim at Kovalam? Watch wildlife at Periyar? Trek at Munnar? See oceans churn at Kanyakumari? Decisions, decisions.

There are quite a few things you won't find in Cochin. Traffic jams. Pollution. Queues. Crowds. High blood pressure. Otherwise, it's as cosmopolitan as you'd like. Roll over, Los Angeles.



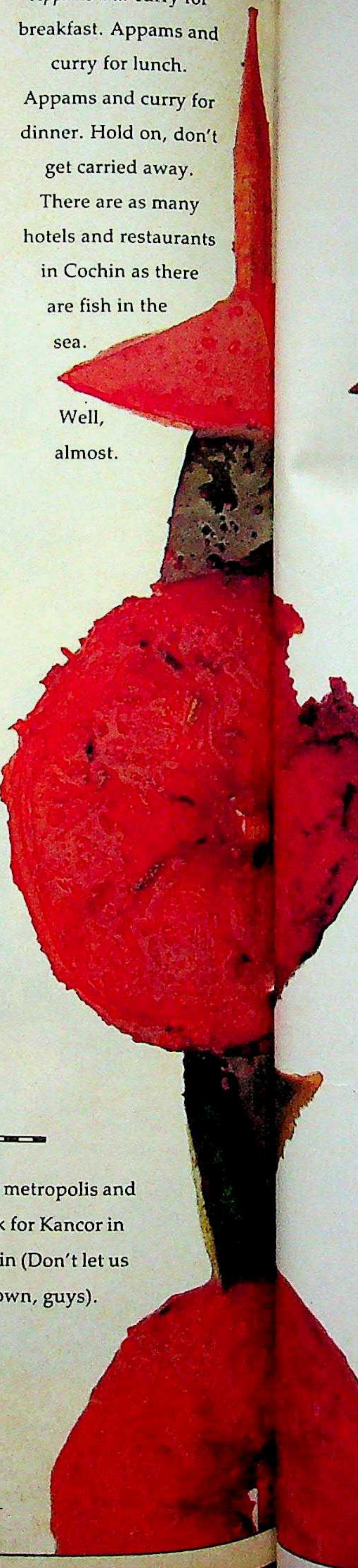
Appams and curry for breakfast. Appams and curry for lunch. Appams and curry for dinner. Hold on, don't get carried away. There are as many hotels and restaurants in Cochin as there are fish in the sea.

Well, almost.

Take in a show at the Fine Arts Theatre. Improve your handicap at the Bolghatty golf course. Show off your cocktail-making skills at the Yacht Club. Sing shanties along with residents of the naval base nearby. Sneer at people who say Cochin is boring.

Kerala is India's only 100% literate state. Does that tell you something about the quality of schools, colleges and universities you'll find in Cochin?

If she's still reluctant, take her along to spend an evening with J.Negandhi, Vikas Rishi, Madhukar Mishra, Kapil Sahoo and Abhijit Bhattacharya. They'll tell her why they've never regretted their decision to leave a stuffy metropolis and work for Kancor in Cochin (Don't let us down, guys).



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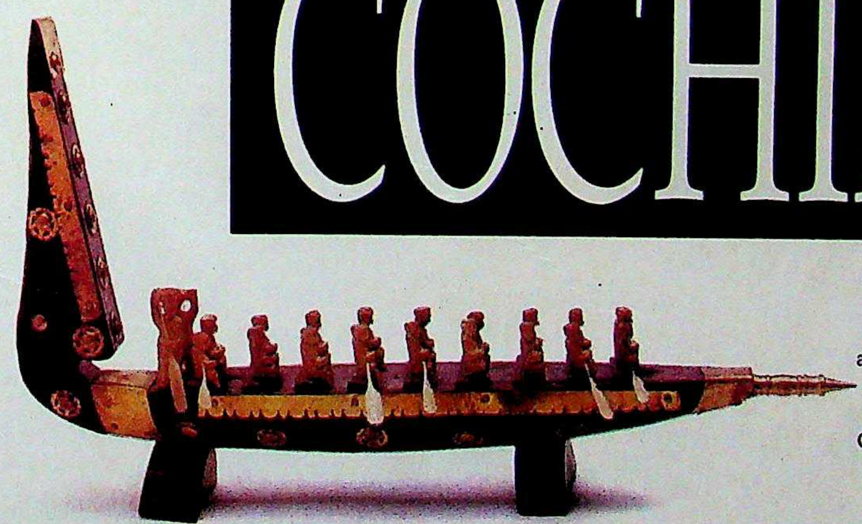
HOW TO STOP YOUR WIFE FROM THROWING A FIT WHEN YOU TELL HER OF YOUR NEW JOB IN COCHIN.

At least once a year, do visit Guruvayur, the Dwarka of the south; Kaladi, where Adi Shankaracharya was born; or Trichur, "the town with the name of Lord Shiva". For God's sake.



Does one get fresh vegetables, seafood and superbly stocked supermarkets in Cochin? Does the sun rise in the East?

Tell your wife you'll pick her up after your first day at work. To go for a boat ride into Cochin's backwaters. Remind her to bring along the loaf of bread and jug of wine.

FOLKLORE-KAN-82/91

ASSASSINATION PROBE

The Web Widens

SIT investigations are now focused on the conspiracy's international ramifications, and Sivarasan's visits to several countries.

By ANIRUDHYA MITRA in Madras

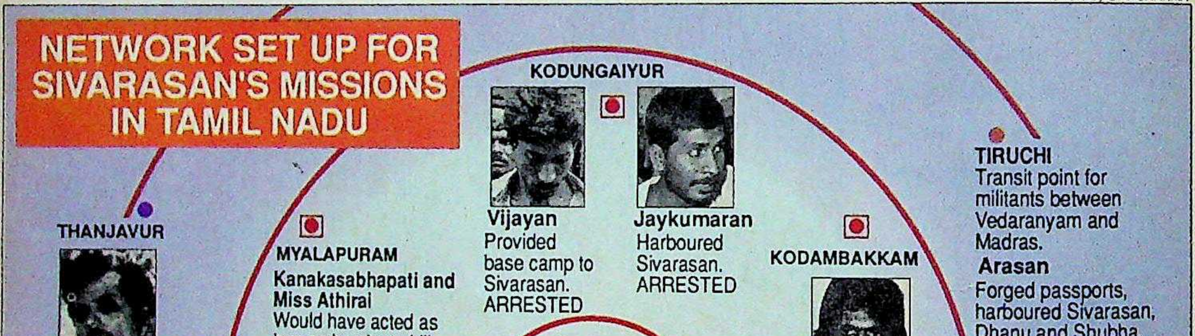
THE Ludlum-like plot continues to thicken. And the targets multiply. Fresh evidence gathered by the Special Investigation Team (SIT) reveals that there was a conspiracy not only to snuff out Rajiv Gandhi's life but also to eliminate Tamil Nadu Chief Minister Jayalalitha Jayaram and TNCC(I) President V.K. Ramamurthy.

The conspiracy, it now appears, also had international links. Interrogation of suspects and documents seized so far indicate that Sivarasan, the man who wove the complex web, was in regular contact with people in Sweden, Singapore, France, Saudi Arabia and the UAE.

In spite of all-out efforts to nail him, Sivarasan still remains a free agent. Literally, in fact. For the LTTE has evidently disowned him. Information gathered by the investigators reveals that the Tigers have ignored Sivarasan's repeated pleas to Jaffna through mediators for an escape route out of India, and removed the safety net from around the assassin, leaving him to his fate.

That he and the other main suspect, Shubha, have still managed to evade the dragnet is, therefore, amazing. The one-eyed Jack has proved to be a slippery customer, ahead of the SIT and state

Chart by B.K. SHARMA



NETWORK SET UP FOR SIVARASAN'S MISSIONS IN TAMIL NADU

KODUNGAIYUR

Vijayan Provided base camp to Sivarasan. ARRESTED

Jaykumaran Harboured Sivarasan. ARRESTED

THANJAVUR

Shanmugam LTTE- sponsored smuggler harboured the assassins. Died in mysterious circumstances after arrest.

MYALAPURAM

Kanakasabhapati and Miss Athirai Would have acted as human-bombs to kill Jayalalitha in New Delhi. ARRESTED.

TIRUCHI

Transit point for militants between Vedaranyam and Madras.

Arasan Forged passports, harboured Sivarasan, Dhanu and Shubha. WANTED

KODAMBAKKAM

Santhan Prepared base for Sivarasan, brain -washed Haribabu. ARRESTED

SIVARASAN

PORUR

Robert Pyas Harboured Sivarasan and arranged fake driving licence for him. ARRESTED

SAVARI NAGAR EXTN.

Perulivalan Made the bomb and set up the VHF devices for Sivarasan. ARRESTED

ROYAPETTA

Bhagyanathan Nalini Shubha Sundaram Harboured Dhanu, Shubha and Murugan. ALL ARRESTED

COIMBATORE

Dixon Kanthan Handling communication with Jaffna, took cyanide capsules. Other accomplices, Kishore and Guna also took cyanide while Nehru is wanted.

The elaborate network of accomplices and harbourers that Sivarasan set up was meant to eliminate not only Rajiv, but also Jayalalitha and V. Ramamurthy. He even planted two assassins in the state guest-house in New Delhi.

police at every step. Every phone call is chased, every hide-out raided. But at all times, the police seem to arrive just that crucial fraction of a second too late.

The narrowest and most questionable escape was from a Kodungaiyur house, 200 metres from the local police station, on the outskirts of Madras, where the entire gang of assassins stayed for five weeks. This included the two weeks after the killing. An Anglo-Indian family which lived in the house neighbouring the gang's hide-out put through several calls to the SIT on July 5 and 6 *(see box)*. But by the time the SIT officials turned up—on July 7—Sivarasan and Shubha had fled.

All the SIT got was four other suspects, a VHF communication set, Sivarasan's clothes, pistol, and a diary with coded messages. The two fugitives are said to be within Tamil Nadu, their attempts to cross into Nepal having failed.

The LTTE has so far ignored all appeals for aid, apparently in a fit of pique. Investigators have unearthed telecommunication messages wherein Sivarasan has apologised to supremo Pirabhakaran for "certain lapses". The most glaring of these was the accidental death of freelance photographer Haribabu, whose pictures provided vital clues in the investigation.

Thanks to this, major LTTE establishments in the state have been wiped out, while there has been a rich haul of arms, explosives, high-powered communication gadgets and money. Also over 30 of their members are either dead or cooling their heels in prison. With the carefully built network of over a decade collapsing like a house of cards, the lynchpin of yesterday is now a liability.

Exclusive picture of Dhanu taken in Jaffna four years ago

KEY SUSPECTS

Identity Crisis

THE on-going investigations reveal that he is a man with many names. In the murder of Rajiv Gandhi he was known to the police as Sivarasan, Shivaraj and Thurai. In the killing of EPRLF leader Padmanabha and 14 others in Madras he gained notoriety as Raghuvaran and Raghuappa.

Apparently, he assumes a different name for each operation. But his real name is Raja Arumainayagam. He is currently the most hunted criminal in the country carrying a reward of Rs 10 lakh on his head.

Sivarasan, 32, is an employee of the Sri Lankan Government in the eastern province. Originally from Chavakcherri village in Jaffna, he graduated in humanities, but it is his other qualifications which earned him the trust of the LTTE. He was LTTE's prime hit man, thanks mainly to his ability to speak Tamil, Telugu, Malayalam, and Hindi fluently. Contrary to reports, his Tamil is *sans* a Lankan accent. He is also familiar with Indian topography which has served him in good stead in eluding the slew of super sleuths who are tailing him.

One of his big advantages is the stark contrast between his side and front profiles. There is hardly any similarity between Haribabu's photograph of him, which is a side pose, and the front view which appears on his driving licence.

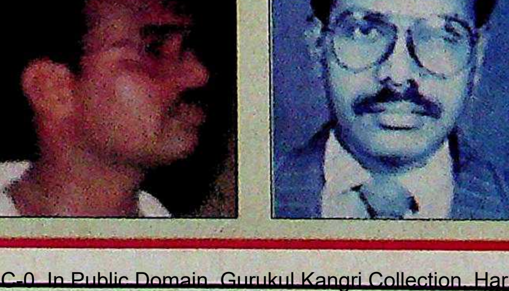
But today Sivarasan seems to have been discarded by the Tigers. With most of his disguises having been publicised, he is no longer good enough for "shadow work". He is also too junior to be inducted into the LTTE cabinet. He lost his only brother, Arumai, 25, in an IPKF operation in 1988.

The woman who died while killing Rajiv, Dhanu alias Gayatri, is Sivarasan's cousin. But little else is known about her. Aged 24, she came from a village in Jaffna, called Kupukullai. Intelligence agencies have supplied some of her old pictures to the investigators. When one such picture was shown to the Forensic Science Department, its Director P. Chandra Shekharan said he was fairly certain that it was hers, taken four years ago in Jaffna.

Shubha or Shalini, who carries a reward of Rs 5 lakh, is also Sivarasan's cousin. Aged 27, Shubha like Sivarasan stayed back after the assassination to complete unfinished business. Like Dhanu, she too is from Kupukullai. She is slightly handicapped, her right leg being shorter than the left.

—ANIRUDHYA MITRA

Sivarasan's side profile and face



Little wonder that Sivarasan's sos for a boat to Jaffna has so far failed to elicit a response.

There is another apprehension that may be keeping the Tigers from having him picked up from the Tamil Nadu coast. The Tigers probably fear that if Sivarasan is arrested or killed by the Indian or Sri Lankan security while being pulled out from India, the involvement of the LTTE in the killing of Rajiv will be established beyond doubt.

The findings that have rocked the SIT are that Sivarasan was not even fleeing after assassinating Rajiv, but was readying to strike at the next two VIPs on his hit list. Jayalalitha, accompanied by Ramamurthy, was to call on Prime Minister P.V. Narasimha Rao in mid-July. With calculated insouciance, Sivarasan planted two assassins in the state guest- house in the capital.

Posters announcing reward

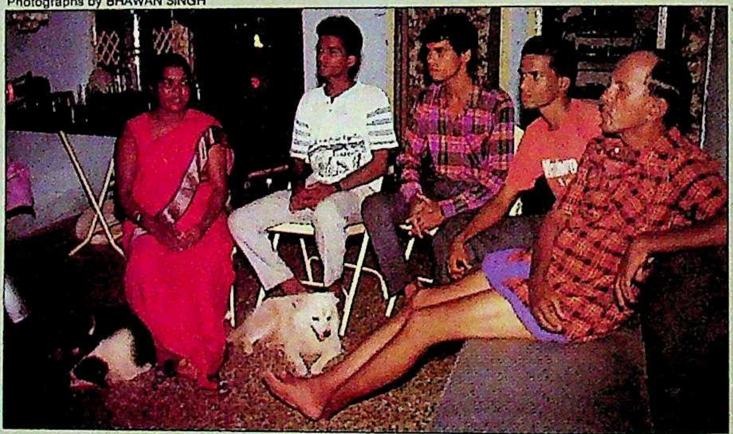
When arrested by the CBI, the two, 72-year-old Kanakasabhapati and 18-year-old Athirai, who along with Dhanu and Shubha were part of the LTTE shadow squad, revealed that there was going to be re-enactment of the Rajiv Gandhi murder with Jayalalitha. What has raised eyebrows is that the two were received at the New Delhi railway station by the caretaker of the guest-house and given high-class treatment during their stay.

Meanwhile, theories about the assassination are multiplying. Former director-general (intelligence) of state police Mohandas Kondath has pointed to the "intriguing circumstances" in which Sriperumbudur was added to

THE MANTLES

Close Encounters

Photographs by BHAWAN SINGH

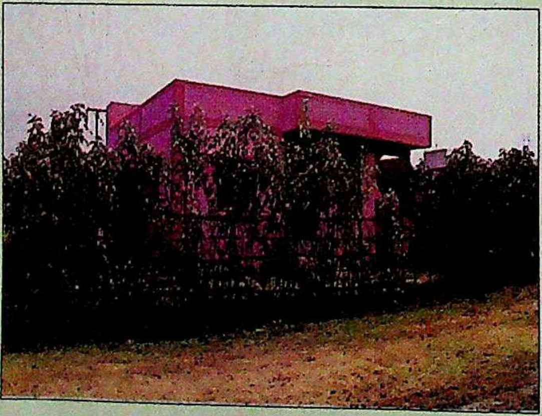


WHILE crack investigators were scouring Tamil Nadu for Sivarasan and company, Shirley Mantle and family were living in the house right next to the assassination brigade in Kodungaiyur village. Had the SIT team acted fast they might even have caught the gang. But as it was they could nab only Vijayan and his wife Selvi, who describes herself as Sivarasan's cousin.

The home was Sivarasan's base from where he kept in touch with Jaffna through a VHF device. And the Mantle family were the only neighbours the gang interacted with. In fact, Vijayan and Selvi would often drop in for a chat. It all came to a halt, however, when Sivarasan's photograph was published. Mantle recalls asking Bhaskaran, who had introduced himself as Sivarasan's father, if he was wanted for Rajiv's murder. He was told to "mind your own house".

The Mantles remember the three dramatis personae in the assassination case quite well. "They never were great socialisers but Sivarasan moved around freely, even after the assassination. He would often walk down to the bus stop past the local police station.

"He also had a Kawasaki. He would often wear jeans, a khadi kurta and Panama cap while riding it. He was not too particular about hiding his glass eye till it became an identification mark.



The Mantle family; (left) Sivarasan's base camp

"But he would always carry a black duffle bag with him. (Vijayan later testified that he carried an AK-47 in it.) Dhanu and Shubha would rarely step outside the house except to go cycling on their BSA SLRs in the evening dressed in churidar-kameez.

They would never go shopping. The broker who got them the house would buy them things they needed."

In the living-room of the hideout where the assassination was planned, the photographs of Rajiv, Jayalalitha and M.G. Ramachandran still adorn the walls. But life for the Mantles will never be the same again. —ANIRUDHYA MITRA

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TASTE THE EXCITEMENT

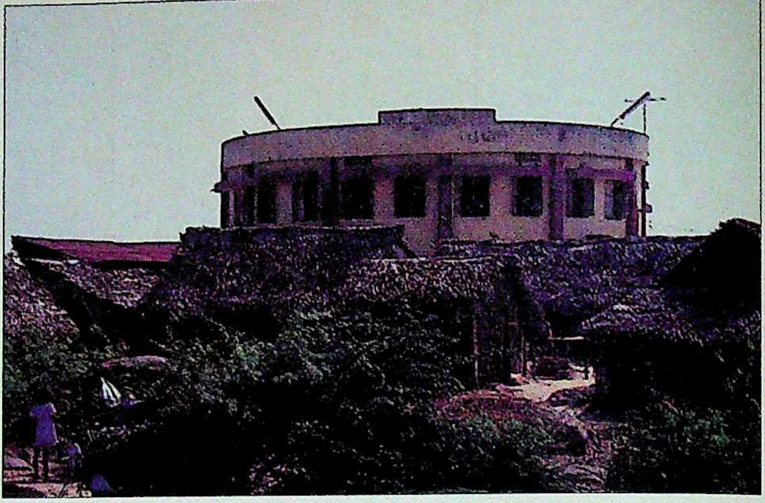
Rajiv Gandhi's itinerary, without consulting Ramamurthy; and the snag in the aircraft from Vishakapatnam, which was rectified immediately. These, he thinks, are proof that some information about the plot had been leaked. And Yasser Arafat's warning to Rajiv Gandhi, he says, should also be looked into. He strongly suspects that the LTTE was used as a front for some other organisation. Although there is little evidence of a "foreign hand" other than the LTTE's, Union Home Minister S.B. Chavan's statement in Parliament last month, which he later denied, about "certain forces in superpower countries conspiring to kill Rajiv Gandhi", is taken as a pointer.

INVESTIGATORS claim definite knowledge of Sivarasan's visits to Sweden, Singapore and France to procure arms and explosives and his jaunts to Saudi Arabia and the UAE to raise funds. What they are baffled about is why a functionary as lowly-placed as Sivarasan should have been sent. A new hypothesis is that Sivarasan may have been acting on his own in liaising with groups other than the LTTE. As knotty is the issue of how Sivarasan, known to be part of the LTTE, was an employee of the Government in Sri Lanka's eastern province.

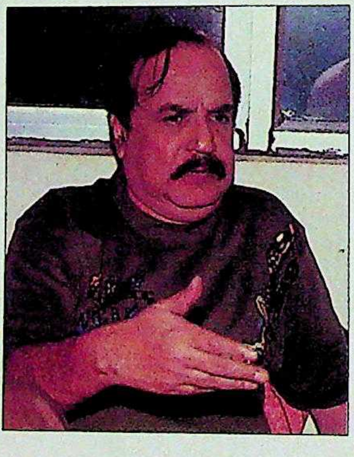
While ramifications of the case widen, there is a perceptible cooling of relations between the state police and the SIT. While SIT officials have accused the police of non-cooperation in private, the police resent the SIT's high profile. Especially because two key suspects—Shankaran, who was to kill EPRLF leader Varadaraja Perumal, and Shanmugam, whose death is shrouded in mystery—were nabbed by the police and SIT took the credit.

The state police have beefed up security in the sensitive districts of Thanjavur, Podukottai, Madurai, South Arcot, Ramnathapuram and Ramnad. Ten CRPF companies will man the coast till the state police rustles up a special task force. The chief minister has already suggested a plan to the Union Home Ministry, according to Director-General of Police S. Sripal.

Special police stations with 60 policemen handling boats will be established in the districts. Also, all Sri Lankans whose identity is under question will be interned in special refugee camps, some of which have been set up in Madras, Podukottai, Vellore, and Salem. More than 5,000 in the state are yet to register themselves, while 28,000 have done so already.

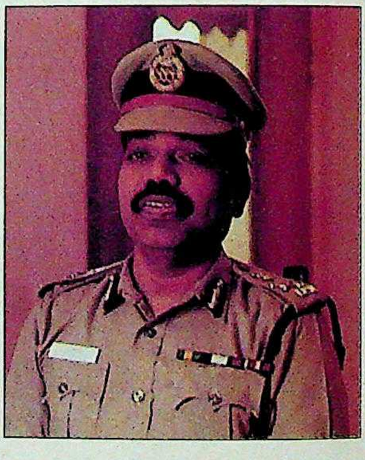


Sri Lankan refugee colony in Kovalam where Sivarasan stayed for a few days



"I strongly suspect some foreign hand behind the assassination. If the LTTE is involved, it is only as a tool."

MOHANDAS KONDATH
Former DG (Intelligence)



"What is needed is inspiration, skill and equipment. The chief minister has given a plan to the Home Ministry."

S. SRIPAL
Director-General of Police

Interrogation of Sivarasan's main supporters, such as Vijayan, Jaykumaran and Robert Pyas, shows that the assassins tried to recover Haribabu's camera through Shubha Sundaram and the remains of Dhanu's body—two fatal flaws in their plot. On May 22 morning when Rajiv's body was taken to Madras airport, the three attempted to hijack the Devki Hospital ambulance hoping they'd be able to recover Dhanu's remains. In fact, Sivarasan may have been hovering around Rajiv's body when it was loaded onto the plane.

As his shelters are exposed, his accomplices bite the dust and border vigil is strengthened, all exits for Sivarasan and Shubha seem to be blocked. Sivarasan is said to be armed with a 9-mm pistol, an AK-47, and tremendous self-confidence. But little else. The hour of reckoning may be close at hand.

But before Sivarasan gets snared in the net, the investigators are afraid he might just decide to end it all by biting the cyanide capsule he carries round his neck. If that happens, the investigators may well lose the one key that can help crack open the Rajiv assassination case.

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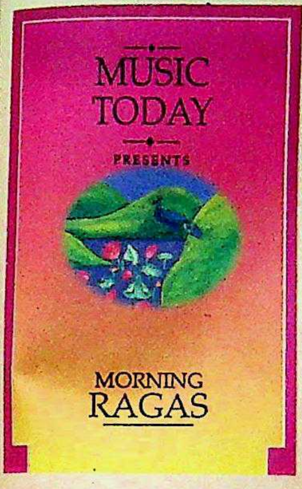

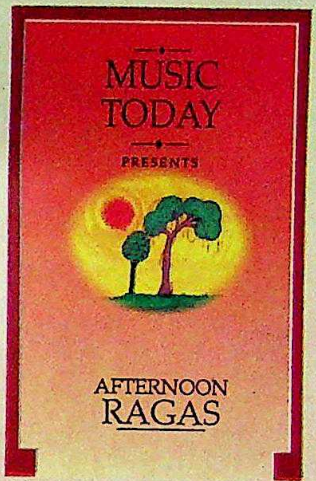

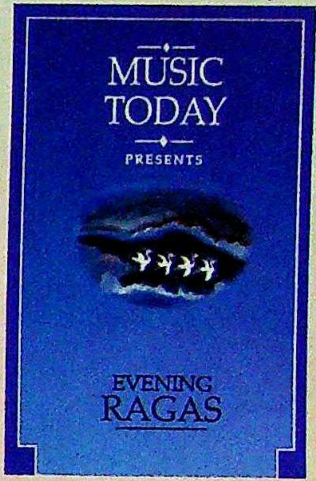

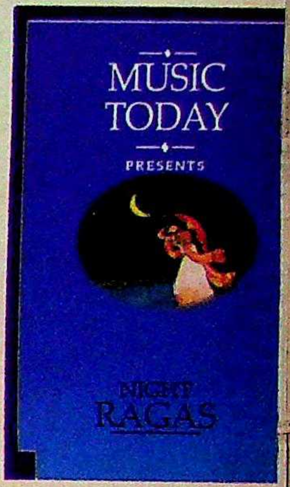

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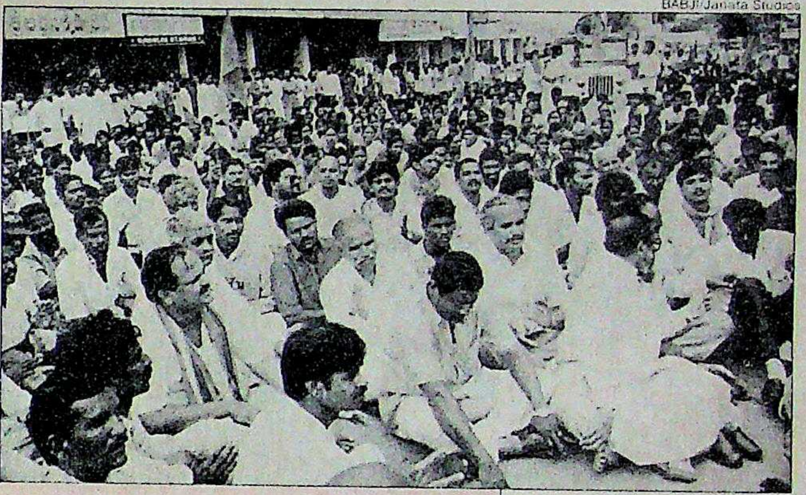
FERTILISER SUBSIDY

Political Pressure

Under attack, the Government compromises on a critical issue

By ZAFAR AGHA



BABJI/Janata Studios

BJP dharna against fertiliser policy

ON that muggy August 5 morning, Union Finance Minister Manmohan Singh had had enough. He had expected Congressmen to support him on the decision to raise fertiliser prices by 40 per cent. But instead, at the CPP meeting he was being treated as a pariah.

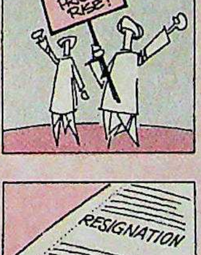
His assertion that it was necessary as it would save the exchequer Rs 1,800 crore was shouted down. MPs like Ratnakar Pandey even went to the extent of saying: "He does not comprehend politics. What can he do for us? He is the person who helped the Chandra Shekhar and V.P. Singh governments." Worse, even Prime Minister P.V. Narasimha Rao seemed to yield to party demands on the controversial issue.

Soon after the CPP meeting, Dr Singh walked briskly to Rao's office.He scribbled on a paper and handed it to the prime minister. Rao looked stricken and asked: "Are you going to desert me in this lonely hour?" The finance minister broke down and a little while later tore the note which was his resignation letter.

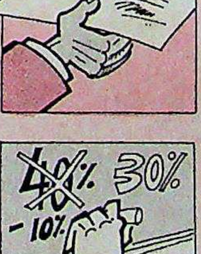
Next day, a sombre Singh announced in the Lok Sabha that the Government had decided to lower the fertiliser price increase by 10 per cent—from 40 to 30. And in a deft political move, he exempted small and marginal farmers from the hike. The additional cost to the exchequer: Rs 856 crore. The cost to the new Government's credibility was far more damaging. It was a clear sign that Rao could buckle under pressure. And that his hold over the Congress(I) was alarmingly tenuous.

COUNTDOWN TO CRISIS

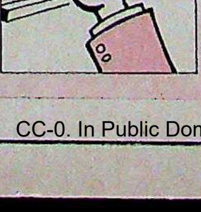
JULY 24
Finance Minister Manmohan Singh announces a 40% hike in fertiliser prices in the Union budget.


DOWN WITH PRICE RISE!

JULY 25-31
Farmers and political parties agitate in several states. In Parliament the Opposition threatens to pull down the Government.



AUGUST 3-5
Narasimha Rao forms group to find a way out. Singh berated in party MPs' meet. He resigns but Rao rejects it.



AUGUST 6
Compromise formula worked out. Singh announces 10% cut in price hike and fully exempts small farmers.

Just how badly Rao and Singh had misjudged the impact of cutting the subsidy was felt soon after the budget was announced. Coming just as the sowing season began, the hike in fertiliser prices created a wave of angry protests from farmers in several states.

In Punjab, which has the highest average of fertiliser use in the country—165 kg per hectare—local farmers' associations organised statewide two-hourly roadblocks. In Andhra Pradesh, irate farmers supported by the opposition parties protested, raiding-shops, looting trucks and blocking traffic. Two were killed as the police opened fire to disperse an unruly mob at Chilkaluripet in Guntur district.

Opposition parties groping for a stick to beat the new Government at the Centre found a fertile issue. In Haryana, Devi Lal threatened to launch a "naya yudh" (new war) against the Congress(I) for being "anti-kisan". In Hyderabad, N.T. Rama Rao announced that his party would launch a sustained agitation. "Is it right to bite the hand that feeds us?" roared Rama Rao at a party meeting.

In Bihar, the Congress(I), which had lost out on the Mandal issue, suddenly found farmers turning against them. The opposition parties too began ganging up and in panic Bihar PCC(I) chief Jagannath Mishra wrote to Rao asking him to rescind the decision. Kamalnath Singh Thakur, the party's chief whip in the Legislative Council, said: "The Congress(I) was more worried over the situation than any other political party."

A FARMER'S NEW BILL

All figures based on yield of 7000 Kgs of paddy per hectare

Cost of producing 1 kg of paddy (including seeds, water, pesticides, labour, fertiliser and land revenue)	**Re 0.64**
Fertiliser's Share in Total Costs:	
Before increase	**Re 0.15**
After 30% hike	**Re 0.20**
New cost of production	**Re 0.69**
Government procurement price	**Rs 2.25**
Increase in produrement price needed to compensate farmer.	**Re 0.05**
PROFIT PER HECTARE FOR THE FARMER (At current procurement price)	
Before price hike	**Rs 11,250**
After price hike	**Rs 10,929**

Chart by B K SHARMA

What worried the Congress(I) was not so much the economic cost to the farmer but its political fall-out. The 40 per cent hike in fertiliser prices meant no more than 7 per cent in his production costs (*see chart*). Since 70 per cent of the fertiliser is used by large farmers, who form only a fourth of the farming community, they could have absorbed the cost. Especially since Singh had suggested an increase in the government procurement price of grain.

The groundswell of protests from the states spurred the Congress(I) MPs into action. What started with a handful of members going to Singh soon grew into torrent of protests that the party couldn't control.

It was virtually like a dam bursting open. Maharashtra MP Partap Rao Bhosle's Farmers' Parliamentary Forum got 40 Congress MPs to sign a memorandum expressing serious concern over the cuts in fertiliser subsidy. Vijyarama Raju, an MP from Andhra Pradesh, sent his resignation letter to the Lok Sabha Speaker in protest. Plus ruling party MPs distributed press releases in Parliament carrying their critical views on the issue. At the CPP meeting Singh and indirectly Rao came under tremendous flak from partymen.

Party functionaries, however, maintained that there was nothing unusual about the storm in the party over the issue. Sitaram Kesari, party treasurer, dismissed it as a "non-issue" saying: "Most of our MPs come from rural constituencies and were just expressing their opinion."

Others claimed that playing up the issue was part of the strategy to deny the Opposition a chance to exploit it. That fear was partly confirmed by the way the Opposition reacted, particularly in the states, in addition to criticism and threats of toppling the Government. As Minister for Parliamentary Affairs Ghulam Nabi Azad said: "After all the Opposition was making it an issue in the House. To bow to our own party MPs' demand was the better way to do it."

That was only half the truth. The other clearly was that several senior Congressmen were unhappy with Rao. Particularly disgruntled is the so-called coterie. On the budget and trade policy issue they felt sidelined as the troika of Rao, Singh and P. Chidambaram took the key decisions. Equally unhappy was Defence Minister Sharad Pawar who was hardly consulted on key matters.

It was not just ministers who were unhappy. The open defiance over the fertiliser issue was indicative of the lack of organisational control in the party. Congress MPs complained that no senior party member was around to brief them everyday about the issues in Parliament as in the past.

INDUSTRY

Pampered Behemoth

GOOD intentions do not always make good economics. That's the bitter lesson for policy planners caught in a cleft-lip over the fertiliser subsidy issue.

The subsidy was introduced in 1977 to keep prices of fertiliser low so that farmers could boost crop yields. The Government also wanted domestic production to grow by giving a fair return to manufacturers.

While agricultural productivity did shoot up, so did the amount of subsidy: from just Rs 266 crore in 1977-78 to Rs 4,400 crore last year as domestic production tripled to 9 million tonnes in a decade. Subsidy was likely to cross Rs 6,000 crore till Finance Minister Manmohan Singh, faced with a massive budgetary deficit of Rs 7,719 crore, tried to put the clamps on it. And partially failed.

By agreeing to roll back the cut and exempt small farmers, Singh has effectively created a dual pricing system that will lead to leakages and corruption. Says Ram Kumar Yadav, of Uttar Pradesh's Barabanki district: "The price difference now will make big farmers corner government-controlled stocks through benami names."

It is precisely this kind of political tinkering that saw the fertiliser subsidy grow to monstrous proportions. Since 1981, even as the production costs escalated, the price of fertiliser remained unchanged. The price of fertiliser for instance, remained at

T.S. BEDI

RK GUPTA

> "The big farmers will now corner all the stocks meant for us. We'll have to continue buying it in the open market."
>
> RAM KUMAR YADAV
> *Small farmer in Uttar Pradesh*

Rs 2,350 per tonne while the production cost went up to Rs 3,800, needing a subsidy of Rs 1,450 for each of the 7 million tonnes produced in the country. Says B.N. Puranmalka, managing director of Indo-Gulf Fertilisers: "If the fertiliser price had kept pace with procurement prices, subsidy would have remained manageable."

Another problem has been the stranglehold of controls that the Government has over the industry: from administering prices of raw material like naphtha and gas, canalising rock phosphate imports, to deciding how much each company should be paid for its production. Says Ajay Shriram, managing director, Shriram Fertilisers: "The industry has been reduced to a processing mechanism."

Public sector and cooperative units account for 65 per cent of indigenous production. As total production falls short of demand, the Government imports another 2.6 million tonnes. The result: charges of inefficiency and corruption against the industry.

The industry criticises the norms fixed by the Government to determine what to pay as the fertiliser price for each of the 150 units. Based on technology used and the factory's capacity, the Department of Fertiliser estimates the company's cost of production per tonne of fertiliser. Then the unit is paid the difference between this cost and the market selling price and is also assured a 12-per cent return on investment.

Officials argue that the system has an inbuilt incentive for efficiency by forcing units to be more productive. Industry critics charge the units with 'gold-plating' their plants—over-valuing assets and understating production capacity—thus reaping handsome profits at the taxpayer's expense.

For older public sector units like the Fertiliser Corporation of India and Hindustan Fertiliser Corporation, norms hurt. Burdened with old technology and overstaffing they are chronic losers—having lost nearly Rs 1,500 crore in the past eight years.

Is there a way out? The finance minister referred to a cut in subsidy as the first step towards deregulation. Sudden decontrol will probably result not only in the industry's collapse but may also jeopardise food production as farmers suspend fertiliser use. Says Pratap Narayan, executive director, Fertiliser Association of India: "A sudden 40 per cent price rise is as bad as no increase in 10 years."

While the industry wants a gradual decontrol, the case for drastic reduction in subsidy remains strong. Both for the farm sector as well as the industry, there must be life after subsidies.

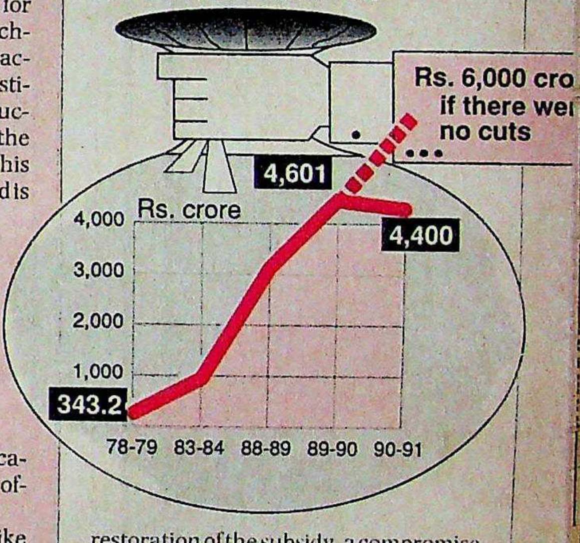
—ALOK TIWARI

> "It is a devious attempt to divide the small and marginal farmers from the rest. It will also result in corruption on a large scale."
>
> BALBIR SINGH RAJEWAL
> *General Secretary, BKU*

Sensing that the fertiliser issue was taking a dangerous turn, on the second day of the CPP meeting, Rao formed an informal group of senior ministers and partymen to suggest a solution. The group included Shiv Charan Mathur, Rajesh Pilot, Balram Jakhar, Buta Singh and Arjun Singh. Since Arjun Singh had left for Bhopal to attend a state party unit meeting, an Indian Air Force plane was sent for him. Pawar was approached in Madras and asked to return.

The consensus reached by the group was that if the Government had to survive it had to back down on the fertiliser issue. But with Manmohan Singh refusing to yield to a complete restoration of the subsidy, a compromise formula was hammered out. The plan was to drive a wedge between the small and large farmers over the issue. Ghulam Nabi Azad then arranged for key opposition leaders to be briefed by Rao on the new formula. When they concurred, Singh made the announcement the next day in Parliament.

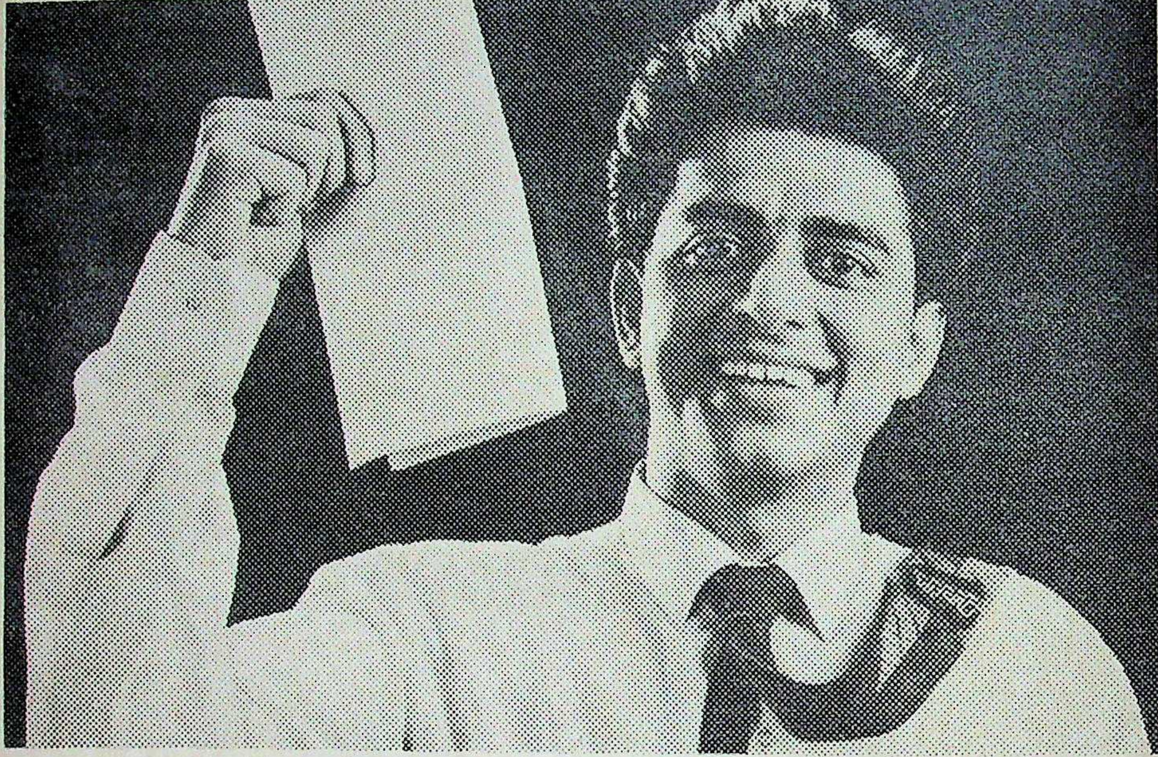
FERTILISER SUBSIDY : UNBRIDLED GROWTH



While Rao may have staved off any immediate threat to his minority government, it was a decision fraught with danger. The step to create a dual policy on fertiliser subsidy is likely to open a Pandora's box of misuse (*see box*).

And while it did squash opposition parties' plans to make capital of the issue, Rao clearly seemed to have lost out to his own party bigwigs. He would now be forced to consult them on every major decision and probably compromise on them too. And if that happens with something concerning the Finance Ministry, Manmohan Singh is unlikely to relent again. —With bureau reports from Lucknow, Hyderabad, Patna and Chandigarh

THE UNLOCKED - INVESTMENT SMILE



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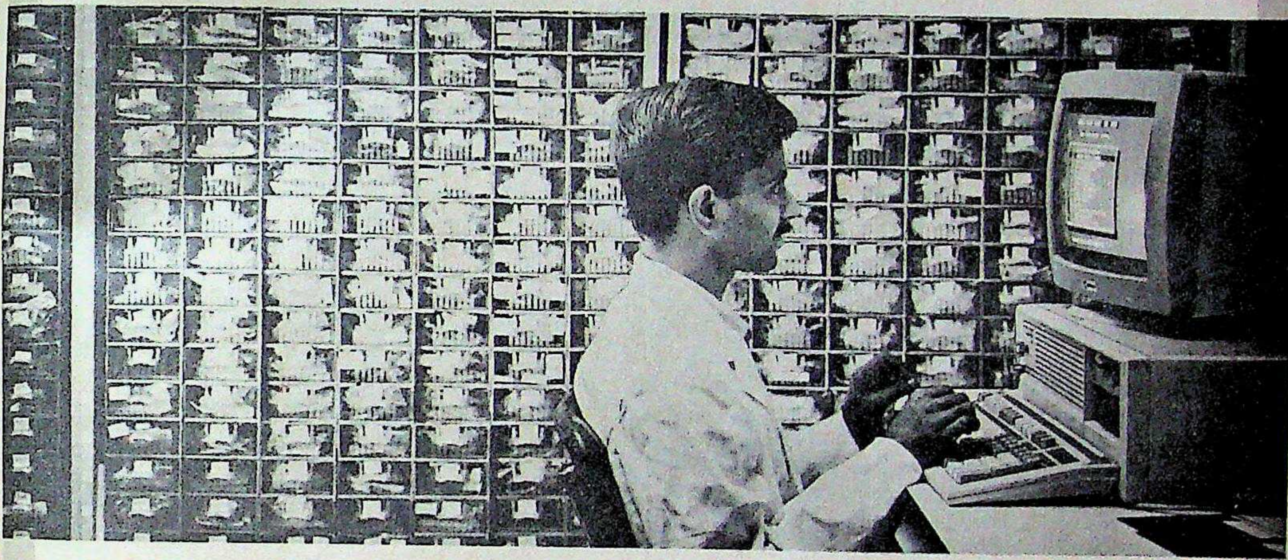

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PARLIAMENT

Mere Muscle Flexing

While the Opposition put the Government in a tight spot over the withdrawal of fertiliser subsidy, they were wary of toppling it.

By ZAFAR AGHA

THE ease with which the minority P.V. Narasimha Rao Government waltzed through the confidence motion was deceptive. Because last fortnight, the Government stumbled, leaving the country at large confused about where it was heading.

Parliament House was the hub of all activity. The ministers appeared more often, the prime minister stepped up his visits and the number of news conferences in the House also rose. After the first two weeks of nervous navigation by election-weary political parties, leaders sharpened their wits to take on the Government on two contentious issues: the Rs 100-crore grant to the Rajiv Gandhi Foundation and the reduction in fertiliser subsidy, both announced by Finance Minister Manmohan Singh.

The foundation controversy died a premature death as Sonia Gandhi declined to accept the Government's grant. But the fertiliser issue continued to simmer, with Congress(I) MPs besting the opposition parties at putting Manmohan Singh in a spot.

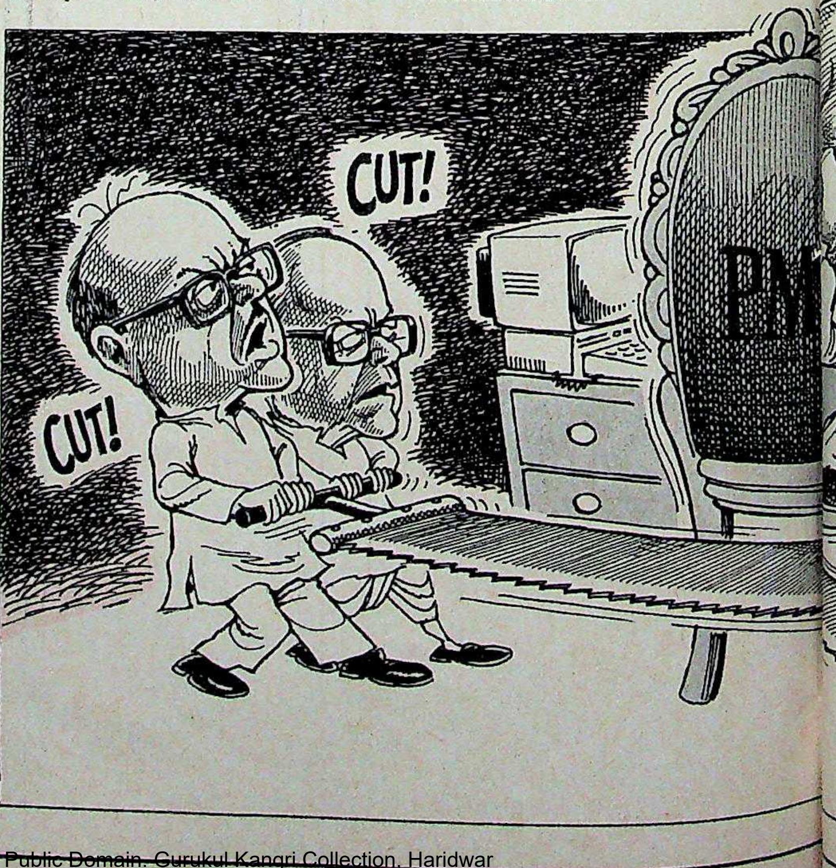
Not that the Opposition merely looked the controversy horse in the mouth. Janata Dal leader George Fernandes was the first to launch the offensive when he said he would move a cut motion on the fertiliser subsidy. Asked if he would allow the Government to fall if it failed to get a majority on cut motions, his cryptic comment was: "Let the Government save itself." The CPI(M) has indicated that it will not press for a motion on the fertiliser issue but the Janata Dal hopes to persuade the alliance partner otherwise. As senior Janata Dal leader Madhu Dandavate says: "The party cannot reconcile to the subsidy." The BJP also served notice on cut motions, while other parties threatened to censure the Government on its Finance Bill.

Suddenly the Government was poised on the edge of a precipice. The question was if the Government's Finance Bill was defeated, would the Rao Ministry be forced to resign?

But in spite of much muscle-flexing in public, the Opposition didn't seem to have the stomach to see the Government fall. At least not during the current Parliament session. Senior opposition leaders like L.K. Advani, Indrajit Gupta, V.P. Singh, and P. Upendra are unanimous in the view that this Government will stay on, for now. Says Advani: "There is no immediate threat to the Government." Upendra puts it more precisely: "Who can go to the polls now?" A senior Left leader has also said that their stance would be not to pull the Government down.

WHERE THEY STAND

- **Broad agreement on new economic policy on the part of Janata Dal, BJP.**
- **V.P. Singh plans week-long agitation this month as also farmers' rally with Left, to oppose fertiliser price hike.**
- **BJP farmers' wing to meet soon to work out strategy.**
- **BJP threatens cut motion for the Government's "failure to raise income tax limits".**
- **National Front and BJP plan separate cut motions on the Government's failure to implement one-rank-one-pension scheme for ex-servicemen.**
- **V.P. Singh raises alarm on possible retrenchment in public sector organisations.**
- **All agree the Government should not fall.**



It's not as if the Opposition is cut up with the content of the new economic policy. On the contrary, both the BJP and the National Front are in agreement with the Government. Advani, who "agrees with the broad thrust" of the policy, is happy that the Congress(I) has, as he puts it, realised how wrong its economic strategy was. Which explains why the party's main speaker on the budget in the Lok Sabha, Atal Behari Vajpayee, chose to emphasise the lack of "consultation and consensus" on the part of the Government rather than the IMF loan or licensing policy. Instead, he picked on the hike in LPG prices and the pledging of gold abroad.

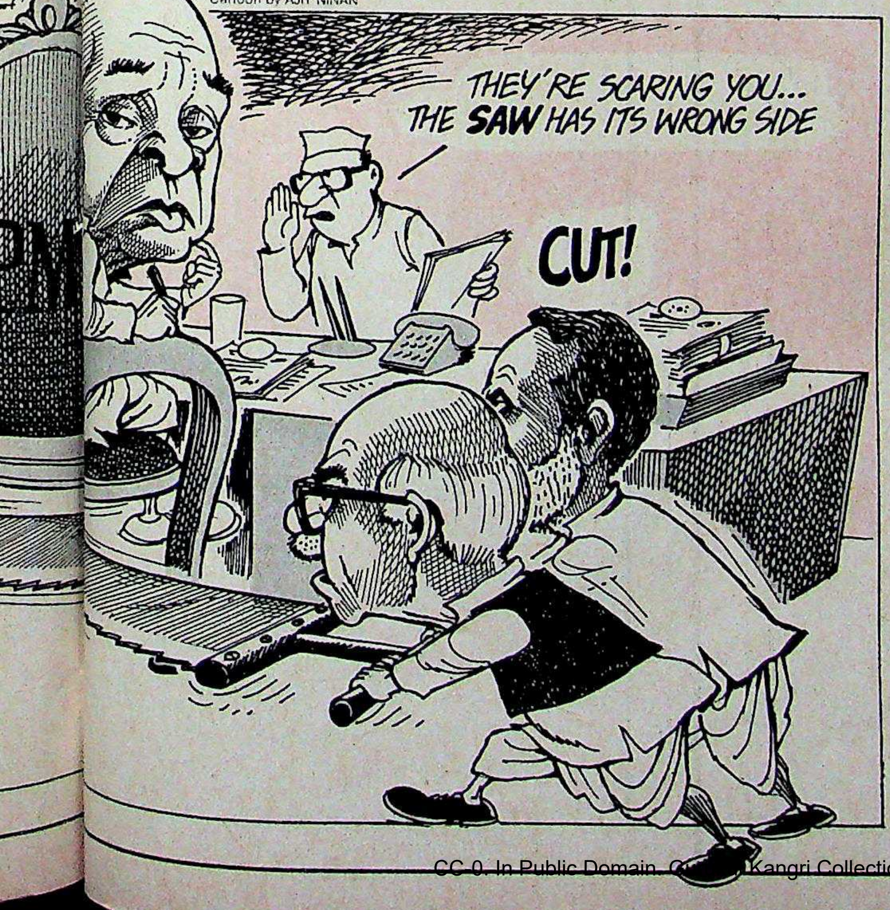
V.P. Singh, who can be considered Manmohan Singh's more chequered forerunner, also wants to see the end of the licence-quota raj. Although he has not voiced his opinion in the House so far, his belief that India should compete and integrate with the rest of the world is well known.

The Left is the last bastion of discontent with the new approach. "We totally oppose the Government's new industrial policy," says CPI(M) leader Prakash Karat. But even he hinted that the Left would adopt a "complicated strategy" to oppose the Government in the House but would not let it fall.

The fertiliser subsidy, however, is a different ball game. V.P. Singh, always first to sense the potential of a populist stance, has already had the Janata Dal draw up a week-long mass agitation, beginning on August 15, against the cuts in the subsidy. And along with the Left parties, he plans to organise a big farmers' rally late next month. The BJP is not too far behind. Its farmers' wing is meeting soon to chalk out a plan to harness the farmers' anger.

But for now, the Opposition is quite content to be seen planning cut motions on the minutiae of the budgetary proposals. The BJP, as a ploy to woo the middle class, has served notice on a cut motion on the Government's "failure" to raise income tax limits. Both the National Front and the BJP are moving separate cut motions on the Government's inability to implement the one-rank-one-pension scheme for ex-servicemen. V.P. Singh is also looking towards another constituency when he talks about possible retrenchment in public sector organisations as a result of the new industrial policy. Employment, he says, is the real issue for which the Government has to adopt an "Indian" approach. As usual it seems the larger consensus is being sacrificed for the short-term gain. The economic policy and the Government may have to bow down before the vote banks once again. But it is unlikely that the Government will be prostrated.

Cartoon by AJIT NINAN


THEY'RE SCARING YOU...
THE SAW HAS ITS WRONG SIDE
CUT!

CUT MOTIONS

Devious Device

ALL of a sudden, cut motions have acquired a high profile. Normally relegated to the guillotine at the end of the debate on the annual Finance Bill, the Opposition has rediscovered in cut motions a great device to threaten but not topple the Government.

Veteran socialist leader Madhu Limaye dubs it as "shadow boxing" and says that unless the Opposition decides to concentrate on one issue, tells the Speaker to put it aside, issues whips and ensures party coordination, the move is "not really very serious".

The Finance Bill consists of two parts, of which one—the estimates of expenditure not charged on the Consolidated Fund of India—is voteable and presented in the form of demands for grants to which the Lok Sabha can refuse or give assent. This is subject to reduction, according to Article 113(2) of the Constitution. The reduction in the demands—cut motions—can be of three types: Disapproval of Policy Cut, Economy Cut, and Token Cut.

A cut motion is only a form of initiating discussion on the demand but is used by the Opposition as an indirect no-confidence motion in the Council of Ministers. The most important in this case is the Disapproval of Policy Cut, which states that the "amount of the demand be reduced to Re 1".

But unless the entire Opposition unites on the Disapproval of Policy Cut, the Government cannot be touched. Nor can its budget. Former finance minister Madhu Dandavate says, however, that had the "perverse" Rs 100-crore grant to the Rajiv Gandhi Foundation materialised, "this Government would have gone because the Opposition had made up its mind." For now, however, cut motions have lost the edge. —KAVEREE BAMZAI

JANATA DAL

Temporary Truce

Party unlikely to split but the discord is intense

WHEN Janata Dal leader Ajit Singh fired off an angry letter castigating Dal Parliamentary Party leader V.P. Singh for his autocratic grip over the party, he was asking for more than organisational reform. He was challenging V.P. Singh's determination to define the political agenda of the Janata Dal.

While discord in the party is intense, it won't split—yet. About 19 MPs out of a total of 56 in the Lok Sabha must leave to avoid the anti-defection law. But both leaders have been categorically told by their staunch supporters to patch up at any cost. Says Ajit Singh: "The Janata Dal is not about to split. No one want the party to lose its enormous amount of goodwill. We want to build an organisation which takes up all the issues which hurt the people."

To which V.P. Singh replies: "I have always given respect to Ajit. I want to harmonise the party, I have no ego problems. The decisions should be collectively made with a sense of accommodation."

Yet the fundamentals remain unresolved. The recent elections have sent different signals to the warring leaders. While it is entirely in Ajit Singh's favour to widen the party base, V.P. Singh has little to gain and much to lose through such moves.

According to the V.P. Singh camp, the main problem is Ajit Singh's "overwhelming ambition" to retain and widen Charan Singh's Jat-backward caste Lok Dal combine and emerge as the leader of the farmers' lobbies in northern India. To which Ajit's followers contend that one of V.P. Singh's primary goals has been to prop up one leader after another to neutralise Ajit's threat to his leadership.

The last elections showed large sections of Ajit's traditional supporters—farmers from a variety of castes like the Thakurs, Kurmis, Mullas, Sanis, Lodh, those within and outside Mandal, the urban elite, the middle class, industrialists in western Uttar Pradesh and parts of Rajasthan and Bihar—desert him and flock to the BJP.

Says George Fernandes, Ajit Singh's nominee for the post of Janata Dal president: "Ajit has to listen to his voters." What they said is clear.

Mandal, as the Janata Dal's major electoral plank, excluded the Jat peasantry and the urban and rural middle class from its ambit. The Janata Dal appeared silent on other equally crucial issues like corruption, unemployment, farmer-specific problems like rural reconstruction and migration. Unable to shed their traditional Congress(I) antipathy, these groups voted in large numbers for the BJP with its broad anti-Mandal plank.

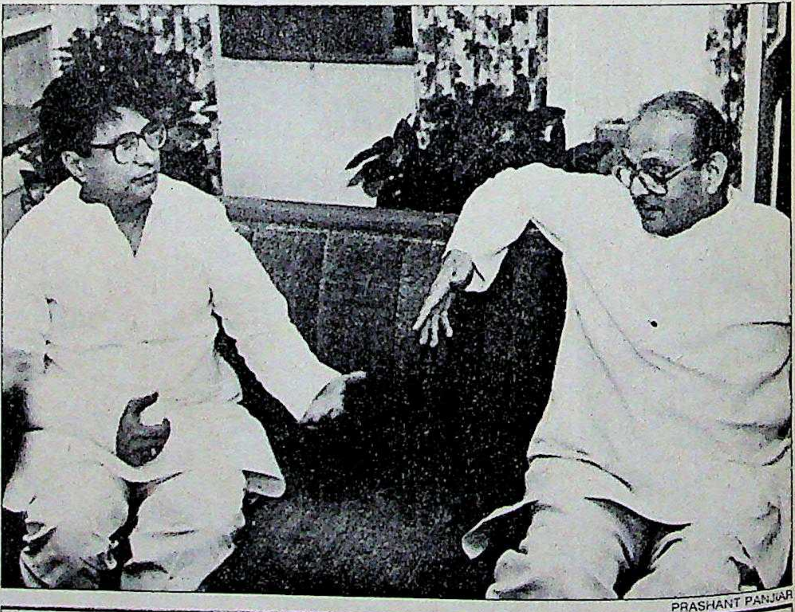
For V.P. Singh, the election results sent a different message. They confirmed that a leader of a party which articulated the concept of social justice and vigorously championed the cause of secularism had a distinct and intact niche in Indian politics.

This is the backdrop against which Ajit wants to restructure the Janata Dal. Ajit's supporters say that every Janata Dal member, particularly Ajit is "morally committed to Mandal". But the real struggle is to widen the party's "rigid and narrow" platform. Said an Ajit supporter: "We have been pushed against the wall. We cannot move back—only die fighting."

Looking ahead, strategically, any

CONFLICT AREAS

Widen its base	**MANDAL**	Keep it as major plank
Remove all VP's rubber-stamps	**ORGANISATION**	Let the party decide the leadership
Cooperate on specific issues	**CONGRESS(I)**	No alignments at any cost
Never	**SPLIT**	Never


PRASHANT PANJIAR

"The party is not about to split. We want it to take up all those issues that hurt people."
AJIT SINGH

"I have always given respect to Ajit. I want to harmonise the party. I have no ego problem."
V.P. SINGH

form of alignment with the Congress(I) would work differently for both these leaders. According to sources close to V.P. Singh, after the elections Ajit suggested that the Janata Dal should first form a loose coalition with the Congress(I), leaving open prospects of a later merger. For Ajit Singh, they said, the principal enemy today is the BJP. Association with the Congress(I) over common issues would make it easier for him to fight the BJP tooth and nail.

Naturally, for V.P. Singh, this would spell political oblivion. First, any such arrangement, even informal, runs the risk of splitting the party. The entire Bihar unit would walk out. The party stands for social justice—the cause would appear lost if it was seen as associating with the Congress(I).

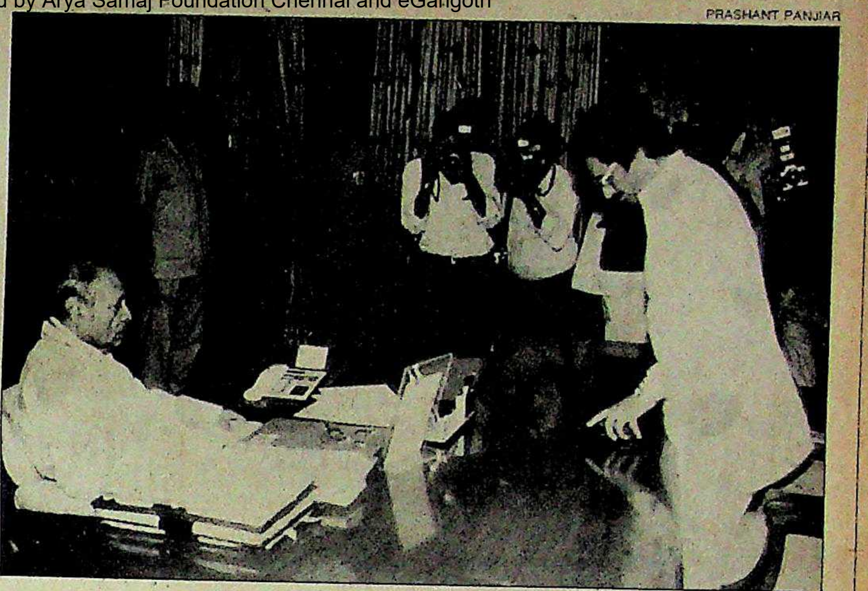
Unfortunately for Ajit, his detractors assert, he was unable to get this strategy endorsed by his supporters. A source close to V.P. Singh said that after the Kisan Sammelan organised by Ajit in Delhi to revive a farmers' platform, several prominent MLAs came to meet V.P. Singh and said they told Ajit: "We will fight to get you a proper place in the Janata Dal—but any association with the Congress(I) is over our dead bodies."

Sources close to Ajit, however, vehemently deny any moves by their leader to seek a rapprochement with the Congress(I). Said one of Ajit's closest friends: "It is an absolute canard to weaken the position of Ajit within the party." But they do not rule out the possibility of "floor adjustments" with the Congress(I) in BJP-ruled states.

State units of the Janata Dal have already begun to reflect these divergent interests. In Maharashtra, nine Janata Dal members split from the 23-member party on July 26 to form the Maharashtra Congress Dal and later merged with the ruling Congress(I). In Uttar Pradesh, the V.P. Singh camp appointed Ram Pujan Patel as state party president. Former president Kailash Nath Yadav, an Ajit Singh man, refused to quit the old party office and said: "Ajit Singh is making a last-ditch effort at keeping the party together, but the appointment of the new president without taking me into confidence has come as a big blow." However in the on-going Vidhan Sabha session, the party has given no indication of a split. Patel maintains "dissatisfied" members will come around.

While most members find prospects of the group's unity in the state hopeless, they see a split as a political setback for both leaders. Who, currently, are holding their peace—in public at least.

—SHAHNAZ ANKLESARIA AIYAR

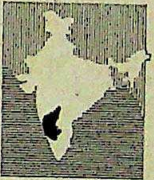

PRASHANT PANJIAR

Bangarappa with Rao: soured ties

KARNATAKA

Rebel Ruckus

Dissidence gains momentum



THE pattern is all too familiar. An innocuous letter, a whisper campaign, the swelling ranks of dissidents and then the inevitable cry for the leader's head. Karnataka Chief Minister S. Bangarappa seemed to be settling down to an extended tenure after a cabinet expansion and a daring ordinance scuttling the Cauvery Tribunal award when the first murmurs started.

But the dissidence quickly snowballed. More than 80 of the 179-strong legislature party, 21 of the 22 Karnataka Congress(I) MPs, and prominent leaders like Veerappa Moily, K.H. Patil, C.K. Jaffer Sharief, Margaret Alva and B. Shankaranand joined the dissidents. Calling it the 'Save Congress Campaign' the dissidents took Bangarappa head-on, who tried to brush it all off saying that these were "mere press statements".

But soon he had his back to the wall, and mounted a desperate rear-guard action summoning groups of legislators and asking for pledges of loyalty. Ministers went about wooing MLAs. But few dissidents were impressed. Said one after a meeting with the chief minister: "If he devoted even 5 per cent of the time he gives arrack contractors and granite lobbyists, things would not have come to such a pass."

Though corruption is the main accusation—the dissidents handed a memorandum to the prime minister listing charges against Bangarappa's Ministry—what sparked off the political drama was a letter written by a Janata Dal MLC, M.P. Nadagowda, alleging that the telephones of 19 important state politicians were being tapped. For a state which had seen one chief minister, Ramakrishna Hegde, lose his post for alleged telephone tapping in 1988, the issue seemed just right for the dissidents.

The list of those whose telephones were allegedly tapped included former chief minister Veerendra Patil, MPs like Oscar Fernandes, Margaret Alva and B.

Corruption Charges Against Bangarappa

- **Permitting sale of liquor seconds (liquor classified as bad quality to avoid excise duty) and manipulation of liquor auctions. Revenue loss: Rs 50 lakh a day.**
- **Issuing licences to 12 new distilleries.**
- **Grant of 200 granite quarrying licences on a single day.**
- **Denotification of vast areas of land from the Urban Land Ceiling Act.**
- **Ordinance allowing bulk land allotment to housing societies. Returned by the governor.**
- **Transferring officials being investigated for corruption by the Lok Ayukta to key positions.**

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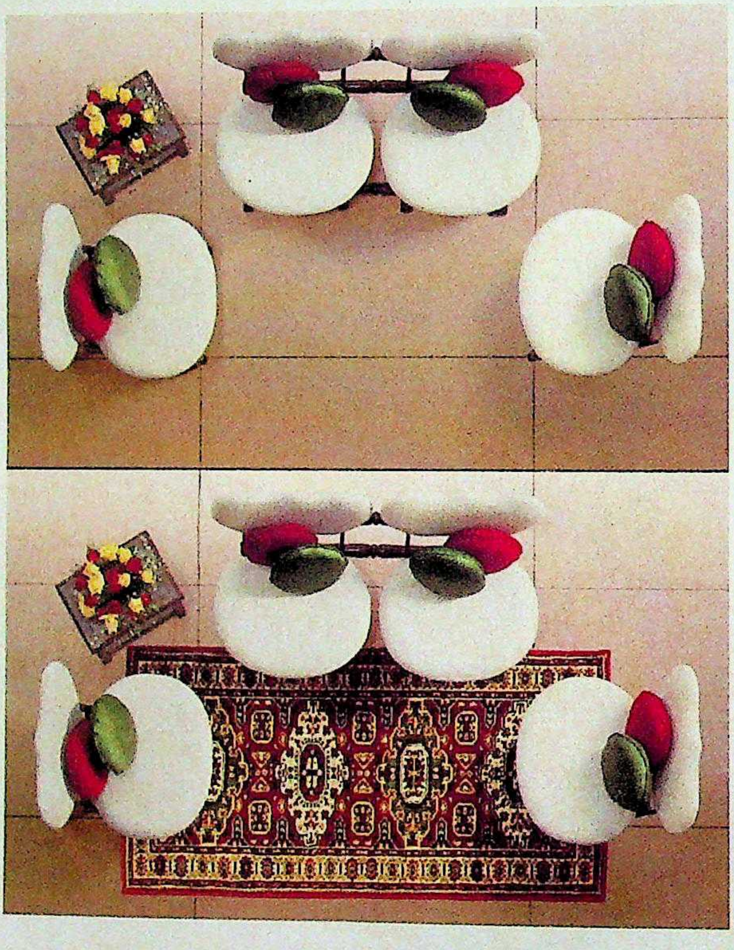

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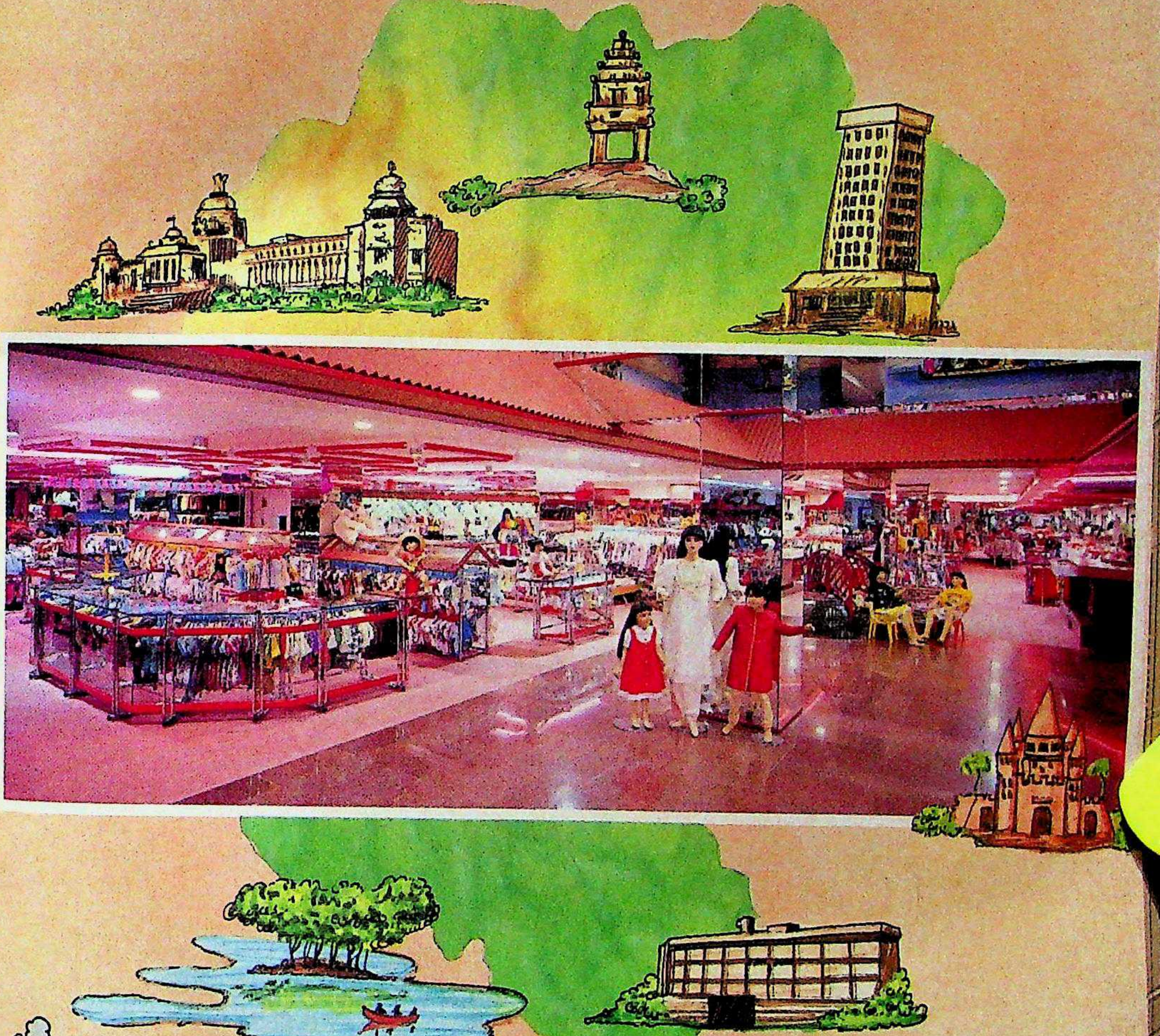

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K. Hariprasad and dissident legislators like K.N. Nagegowda, A.K. Subbaiah and Bangarappa's ministerial colleagues K.H. Patil and K.S. Nagarathanamma. Said Nagegowda: "All I know is that my telephone is being tapped. Bangarappa should prove that he is not doing it."

But Nadagowda had no documentary evidence to back up his claims and after his letter became a hot issue, he disappeared. Bangarappa denied the allegations. And despite his political naivete it seemed unlikely Bangarappa would commit the same mistake Hegde did. Under the rules telephones can be tapped only under written instructions.

The tapping issue came 10 days after the cabinet expansion which instead of satisfying dissidents had only infuriated them. Senior legislators from the majority Lingayat and Vokkaliga communities were ignored while comparative lightweights were included. Bangarappa also did not heed the demand of 18 MPs to drop certain corrupt ministers.

Senior leaders like K.H. Patil who was shifted from cooperation to rural development, and Veerappa Moily—both aspirants to the chief minister's throne—were quick to back the dissidents. Said Patil: "My supporters are extremely annoyed at the way my portfolio was changed. If they want to participate in dissident meetings how can I stop them?"

The key to Bangarappa's future lay in his August 8 meeting with Prime Minister Narasimha Rao in New Delhi. With no senior Congress(I) leader willing to comment on a change in leadership in Karnataka, it was obvious that the minority government at the Centre is not likely to take any step which would even remotely resemble the toppling games indulged in by previous Congress(I) governments. High command sources are hopeful that a compromise formula might be worked out to build bridges between Bangarappa and the dissidents.

Bangarappa chose the inauspicious Hindu month of *Ashada* to swear in the 13 ministers and even joked that the month would in fact be auspicious for him. If against all odds, the Congress(I) leadership asks him to continue, the Prime Minister and party President Narasimha Rao would have sent a clear message to all party units—to scotch dissidence and allow their chief ministers to rule.

—SARITHA RAI in Bangalore and
B.V. UMA in New Delhi

JAMMU & KASHMIR

Held Hostage

Militants seize the advantage

DEALING with kidnappings of prominent people by terrorists has never been the Government's strong point. But the way it has been outmanoeuvred and brought to its knees in the Doraiswamy case takes the cake. As an extended rally in a tennis match, the Ikhwan-ul-Muslimeen, a militant gang which has recently gained prominence, continued raising the ante for six weeks and the Government kept conceding their demands to secure the release of the Indian Oil Corporation (IOC) Executive Director, K. Doraiswamy.

MERAJ-UD-DIN

Ikhwan celebrates release; Doraiswamy

The militants' macabre threat to chop off the right hand of the captive was but a new terror tactic to pressurise the Government to set free their nine members including Javed Ahmed Shalla, despite the fact that the Union Home Minister S.B. Chavan had already stated that the Government was willing to release him. Shalla is charged with the killings of Kashmir University vice-chancellor Mushir-ul-Haq and HMT general manager H.L. Khera.

Clearly, the Ikhwan was spoiling for more. Ikhwan chief Hilal Beg is acting on Pakistan's instructions. In a tapped telephone talk, Yasin Bhatt, Ikhwan's military adviser, was heard saying from Muzaffarabad to Beg's contact in Srinagar: "Insist on Shalla."

The first time the Government was let down in the case was when it released three Pakistan-trained militants. Unchecked by the security forces, the day was celebrated by the joyous members of the Ikhwan in Srinagar. Yet, not only was Doraiswamy not released, the intermediary, Nazir Siddiqui, too was picked up. Because, the Ikhwan alleged, the Government had backtracked on releasing nine of their comrades.

The Government had started capitulating from the beginning because of the IOC employees union's threat to stop the supply of petroleum products to Kashmir. But by agreeing to release militants, the Government was walking into a trap where it could be held to ransom again and again.

Then there is another price to pay. The militants seem to be in command now. Concedes Governor G.C. Saxena: "In psychological terms the situation does seem to have slid. We expected escalation and are prepared for it."

But the ground reality belies his claim. The paramilitary forces are demoralised over the release of militants. Especially because in the past two months three of their members were kidnapped and later killed, about whom the Government did little.

In comparison, the various militant gangs in the Valley are already regrouping. The JKLF is organising its political wing to keep the public support for *azadi* intact. Its chief, Zahid Amin Kashif, came to Srinagar from POK for three months. Both Kashif and JKLF chief Javed Mir addressed public rallies.

Evidently, Pakistan wants the secessionist groups to thwart the initiation of the political process and starting of any economic activity. The kidnappings of the Swedes and the Israelis have jeopardised both the setting up of any project and the inflow of tourists.

The administration clearly has tough days ahead, especially when the latent overground support could well take to the streets. It could be as soon as Shalla is swapped for Doraiswamy.

—HARINDER BAWEJA in Srinagar

BOMBAY

Mafia Menace

Court judgement irks police

WHEN the Supreme Court released three top-notch criminals last month, it appeared to have undone, in one fell swoop, all the hard work done by the Bombay Police.

The police seemed particularly demoralised because they had after much lobbying managed to pressure the Maharashtra Government into enforcing the Terrorist and Disruptive Activities Act (TADA) last year. The only loophole the law allowed was the Supreme Court, and that is precisely the door to freedom that Girish Dube, Danny and Shyam Kishor Gharikapatti squeezed through.

All three belong to Bombay's infamous gangs, and have bloody track records. Girish, son of Shiv Sena MLC Shyam Dube, was jailed for murder and possession of an AK-47, while Danny, mafia don Dawood Ibrahim's hitman, was accused of attempting murder. Gharikapatti is another of the Dubai-based Dawood's gunmen. Dube and Gharikapatti's release was effected by their lawyer, the noted Ram Jethmalani.

But what Bombay Police Commissioner S. Ramamurthy and Joint Police Commissioner (Crime and Administration) Arvind Inamdar are really apprehensive about is that this is just the beginning. Says Ramamurthy: "It was like a slap in the face of the police." They feel that the 157 criminals imprisoned under TADA in the state will soon be applying en masse to the Supreme Court for release. Inamdar is sure that the feared Arun Gawli, who is lodged in a Pune jail, will be encouraged to approach the court with this judgement.

In the Supreme Court's defence it can be said that it has earmarked safeguards. The court has decreed that the three should not enter the precincts of Greater Bombay and Thane and they must report their presence to the nearest police station every day. But the police top brass find these restrictions puny.

The greater fear is that should Gawli obtain his release, a bloodbath is bound to follow. While Gawli has been away, Dawood Ibrahim has been controlling the city's criminal operations by remote control. But with many of his men languishing in jails, gang wars had become less frequent. But a fresh exacerbation may now occur.

From left: Gharikapatti, Dube, Danny: the ones who got away

The Bombay Police fear a replay of the bloody gang wars of 1987-89 now that the criminals have found a legal loophole.

This is what Ramamurthy and Inamdar are trying to prevent. They plan to meet Chief Minister Sudhakarrao Naik, and police sources say, even Union Defence Minister Sharad Pawar. Says Inamdar: "We have to fight the criminals as well as the law."

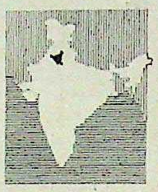
What nobody wants is a replay of the high noon of gang wars, between 1987 and 1989, when every criminal that the police laid their hands on seemed to wind up free on bail. In 1989, a major crackdown saw the hoodlums in prison but stay orders from various high courts set them free. This time, the police may be unable to stop the blood from flowing again.

—GODFREY PEREIRA

HARYANA

Death Row

Macabre murders applauded



THE shrill scream that pierced the night at Rattangarh village near Hissar last fortnight drove home the chilling reality that India is still mired in medievalism. In what can only be described as a macabre version of justice, two sisters were brutally hacked to death by their brothers.

According to the villagers, the two women, Sillo and Kori, were *badchalan* or of "easy virtue". On that fateful night, their brothers, Roopa, Basant and Omi, spotted them chatting with a couple of men in the fields. Livid with rage, the brothers scythed their sisters to death later that night.

Even more macabre was the fact that when the two gave themselves up to the police next morning, the locals watched in silent approval. According to the villagers, the women got what they deserved for daring to defy the hidebound conventions of the village. For talking to complete strangers. For laughing without any apparent reason. For not respecting their elders.

And there isn't a trace of repentance in the villagers. If anything, they are only glorifying the heinous crime. And the killers for having owned up to the murders. In their view the brothers had upheld the honour of the village.

The only one shattered is Kattobai, the mother of Sillo and Kori. Nobody talks to her any more, which has forced her to leave Rattangarh and move to nearby Rattiya. Tired of defending her daughters, she sits surrounded by the remaining members of her family. "What can I say? It is just *kismet.* My daughters were good girls and good mothers. Now, suddenly, everyone is saying things about them which are completely untrue."

And the stories about her daughters multiply by the minute. From the day the widowed Sillo and her four children came to live with her mother, she had been persistently harassed. Being a widow she was always the target of the villagers' snide comments. "*Raand ke baare mein to baat hoti hi hai* (She was a widow and people say things about widows)," says Katto.

Though labelled wanton, Sillo always turned a deaf ear to such remarks.

SHARAD SAXENA

Kattobai with other family members

◆

The killing of two sisters shows that village justice is still mired in medievalism.

Then, a couple of months ago, her sister Kori joined them after she was stabbed by her drunk husband, Amaru. The villagers, of course, have a different story to tell. According to them, Kori deliberately got her husband drunk so that she could spend the evening with a friend of his. This, they say, provoked Amaru to attack his wife.

What really irked the locals was the fact that Sillo and Kori turned a deaf ear to the snide comments about their morals. In fact, they carried on working in the fields. As Katto says: "First they tried to force my sons to get Sillo married again. When that didn't work, they started saying things about my daughters every time they went out to work in the fields. *Dono ke aadmi nahin the na* (After all their men weren't around)."

The killers may be in jail, but the collective conscience of the village remains unmoved. As Hissar Deputy Commissioner Samir Mathur says: "It is a completely closed society. Once you are born in it, you stay there according to the rules of the game. There is no escape." Except perhaps death.

—RAHUL PATHAK in Hissar

A Fractious Legacy

INSIDE EYE BY INDERJIT BADHWAR

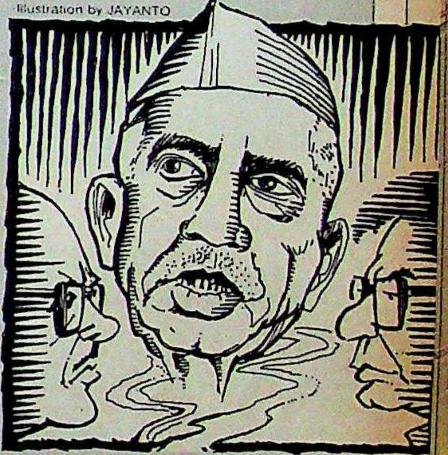
HIDDEN within the intricacies of the mathematical guesstimates about which leader controls how many of the 56 MPs of the fractious Janata Dal, and who can muster enough of them in order to split the party, lies a critical psychological dimension to the tension between Ajit Singh and Vishwanath Pratap Singh. The twain, like the East and West, are destined to repel each other or continue to be locked in debilitating eternal combat.

Each is in every sense a prince. V.P. Singh, the inheritor of Manda's feudal robes; Ajit, the heir to a political kingdom carved out of caste and demography by his father—a kingdom that shook the once unassailable Congress empire to its very foundations. A critical stake in the internecine warfare now raging within the Janata Dal is the future of this kingdom or whatever remains of it.

Each rival claimant—Ajit and V.P. Singh—considers the other a rank interloper. The kingdom as conceived by Choudhary Charan Singh was the product of a powerful alliance of Jats and backward castes, under Jat leadership with western Uttar Pradesh as its capital, that changed the electoral arithmetic of the cowbelt. V.P. Singh, who considers Uttar Pradesh his power base, sees himself as the rightful inheritor because he galvanised the psychic identity of the backwards as no other leader had been able to do plus added an extra dimension to Charan Singh's political foundation—the Muslims. He considers Ajit a political novice trying to cash in on dynasty. Ajit fancies himself as a Jat blueblood with a natural right to his father's legacy that has been usurped and exploited by a man who is not only not a Jat but—heavens forbid—a Thakur, and a former Congressman.

The recent public bickering between the two leaders is more than just a fight over party posts. The reasons go deeper. More than any other Janata Dal chieftain, Ajit was seriously wounded—on his home turf—by the Raja's undiluted championing of the Mandal cause. As a party faithful Ajit went along with it, but at a significant cost to himself. Where he once boasted the support of some 20 MPs from Uttar Pradesh alone, he can now claim no more than 10. This was because the Jats, in an anti-Mandal mood, preferred the BJP during the last election. And Ajit, who had been responsible for dishing out most of the party tickets in Uttar Pradesh found the Janata Dal candidates losing in places like Bijnore, Amroha, Hardwar, Agra, Mathura, Etah, Aligarh, Meerut, and Bulandshahr.

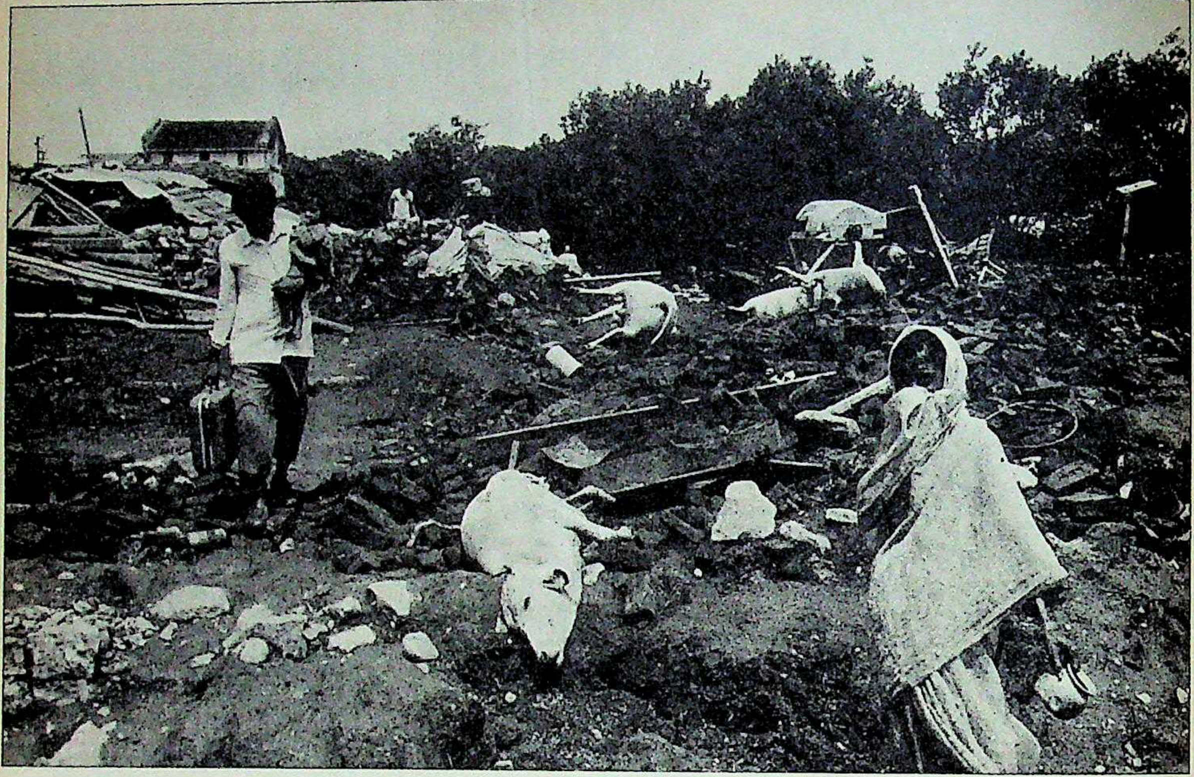
Illustration by JAYANTO



In order to retrieve his identity, Ajit's compulsion is to go home again—back to his Jat roots. But even if he resuscitates a Jat-backwards combine under his own leadership in western Uttar Pradesh, will the third crucial element—the Muslims—flock to him? Perhaps not. As a recent conference of Muslim leaders at Mufti Mohammed Sayeed's residence revealed, Muslims are angered with the Jats who virtually boycotted every Muslim candidate during the last elections. Will this work to V.P. Singh's advantage? Impossible to say yet. For already, in parts of Uttar Pradesh new alliances between Muslim and Scheduled Caste leaders are forming to which the Congress(I) can lay a successful claim in any future battle against the BJP.

Now, as Ajit reaches out for his farm lobby roots by addressing kisan sammelans in Delhi, V.P. Singh tries to steal his thunder by attacking the Government's fertiliser policy and announcing a "kisan week" later this month when he will visit hundreds of Uttar Pradesh villages and criticise the Government's farm policies. Five years after his death, the fight for Charan Singh's legacy continues to bubble over into national politics.

NAMAS BHOJANI



Mowad village: watery grave

MAHARASHTRA

Devastating Deluge

Slow relief work compounds misery of survivors

THE corpses have yet to be counted. But the devastation that overtook Mowad village near Nagpur, following the collapse of the Wardha river embankment last fortnight, is awesome. Official estimates put the number of dead at 500 but a more accurate toll would be 2,000.

Mowad, on the banks of the Wardha, was in the direct path of the sudden deluge. The level of water reached 16 feet, sending huge boulders hurtling through the town, bending steel poles, and flattening concrete homes.

Once the fury of the flood abated, Mowad resembled a vast graveyard. Corpses of children lay entangled in trees and the stench of bloated carcasses and rotting grain pervaded the air. Mowad bore the brunt of the fury, but Jalakhed, Khairgaon, Thugaon and Madna were also badly hit.

Relief was slow in coming. The army cleared roads and extracted bodies from knee-deep slush. But all the PWD could do was fumigate the corpses and heap them for a mass cremation. And for days animal carcasses couldn't be cleared.

Initially, around 250 men from the Guards Regimental Centre at Kamtee were engaged in rescue work. The Government subsequently set up food and medical centres outside the village but the survivors seemed unaware of them. Social service bodies too chipped in but it wasn't enough. Predictably, a phalanx of politicians, from Defence Minister Sharad Pawar to Shiv Sena's Manohar Joshi descended on the village. Pawar announced relief worth Rs 28 lakh and promised relocation. Maharashtra Chief Minister Sudhakarrao Naik declared a Rs-15,000 ex-gratia for the next of kin of each victim.

Mowad had other visitors too, who wanted a ringside view of the villagers' misery. Bejewelled women from Nagpur, men in starched dhotis, young men carrying packed lunches toured the area to the horror of the villagers.

Mowad's troubles go back to the '60s when the embankment was put up. Since then the locals have been pleading for a strong wall. All they got were promises, while the floods came with a ferocious frequency: in '71, '76, '81 and '86.

This time, the tragedy could have been avoided. A week before the rains wrought havoc, part of the embankment was repaired but several trees were uprooted in the process, weakening the barrier. The orders were given by Katol MLA Sunil Shinde, who is now the focus of the survivors' accusations. But says he: "I don't have time to answer silly questions. Don't you see I am busy counting the dead?"

For some, nothing matters anymore. The swirling waters that swept over Motiram Krishna's house sucked his wife Kamala and daughter Shanti, 7, into a deathgrip. Suresh Kasane, 40, has lost his wife and parents. Only his baby daughter survives. He is leaving Mowad, a bitter man with nowhere to go. Yeshwant Bhegde, whose father, 70, died in the flood, complains bitterly about the lack of help. Says he: "I fear we will all get cholera from the food we get."

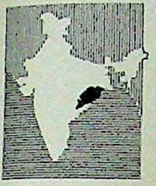
For all of Mowad, the deluge has been a disaster. But for the survivors, the greater disaster is the unknown future that lies ahead.

—GODFREY PEREIRA in Mowad

ORISSA

Tragic Project

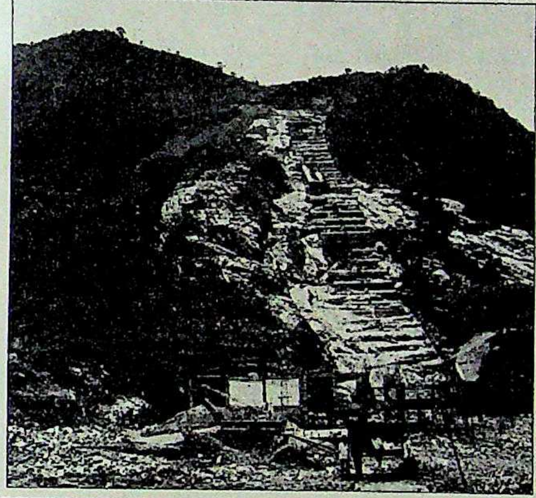
No end to Kalahandi's woes



FOR nearly four decades the Upper Indravati Project (UIP) was seen as the panacea for all the sufferings of the parched Kalahandi district in Orissa. Last fortnight that dream was buried under the rushing waters of the Indravati river.

The gushing waters swept over an earthen coffer dam near the hills of Mahulpatna, destroyed the 600 MW power house and killed 18 labourers working to complete a tunnel which was being made to take water from the power-house for irrigation. Said Hari Jani, a tribal from a nearby village: "For a moment it appeared the hill near the power-house itself had collapsed. Now the entire place is like a huge graveyard of men and machines." Admitted Irrigation Minister Bijoy Mahapatra: "It was luckily a Sunday (July 28) otherwise at least 1,500 people might have died."

K.M. KISHAN



The scene of the tragedy: bureaucratic callousness

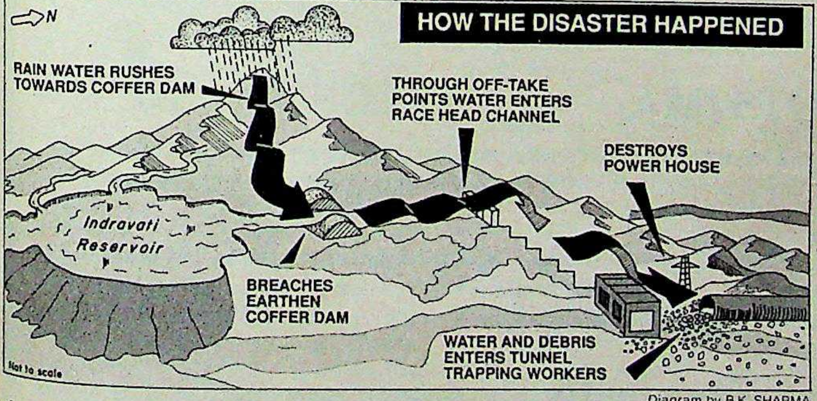

N
HOW THE DISASTER HAPPENED
RAIN WATER RUSHES TOWARDS COFFER DAM
THROUGH OFF-TAKE POINTS WATER ENTERS RACE HEAD CHANNEL
DESTROYS POWER HOUSE
Indravati Reservoir
BREACHES EARTHEN COFFER DAM
WATER AND DEBRIS ENTERS TUNNEL TRAPPING WORKERS
Not to scale

Diagram by B.K. SHARMA

What caused the overflow was the record rainfall of 825 mm on July 28 in the catchment area. The still incomplete UIP, mooted in 1959, has four dams and eight dykes on the Indravati which form a single reservoir connected through two link channels to a power house with a capacity of 600 mw. From the power-house the water is to be released to irrigate 1,09,300 hectare in the drought-prone Dharamgarh in Kalahandi.

Though the World Bank, which partly finances the project, had repeatedly asked for the height of the coffer dam to be increased to 630 metres and to have a second line of defence in the form of shutters, engineers ignored it. The main dam on the Indravati river was raised, dams were built on two tributaries but the coffer dam was left as it is.

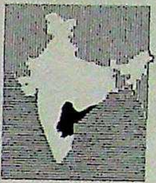
Officials say the Government could not intervene as the contract was awarded to the National Projects Construction Corporation (NPCC) through an International Contract Bond decided by the World Bank. The state Government has decided to approach the World Bank to get the NPCC contract cancelled. It has also appointed an inquiry committee under Development Commissioner S. Sunderajan, besides suspending the chief construction engineer Linga Raj Mishra and a superintending engineer.

The destruction of the tunnel and the power-house will only send the present estimate of Rs 1,044 crore skyrocketing—the original estimate in 1978 was Rs 200 crore—as the project gets bogged down in bureaucratic slush. For Kalahandi there is no water, or light, at the end of the tunnel. —FARZAND AHMED

ANDHRA PRADESH

Cabinet Blues

Expansion increases dissent



IT is not enough to distribute the spoils of office. As important is to know how to do it. Chief Minister N. Janardhan Reddy could certainly take a few lessons in this skill. He doubled the size of his eight-month-old ministry last fortnight and yet failed to appease MLAs and make a dent in the dissidence brewing against him. In fact, he invited more trouble by ushering in regional and caste imbalances in the reshuffled ministry.

Not only were many new ministers unhappy with the portfolios given to them, some even said so to the chief minister's face. D.K. Samarsimha Reddy remarked that he might have skipped the swearing-in on August 5 had he known he was getting law and courts as he deserves a better portfolio, having been revenue minister once. Other discontented ministers preferred to mark time and strike back at a more opportune moment. In a display of insecurity, the chief minister retained the lion's share of portfolios including the high investment areas of irrigation, power, agriculture and excise.

Worse hit than the disaffected ministers were two MLAs who were excluded at the eleventh hour. D. Sripada Rao, a senior MLA from Karimnagar district, even contemplated quitting the party. He lost out the Education Ministry to P.V. Ranga Rao, the prime minister's son, who is a greenhorn, having made his debut as MLA in November 1989. Evidently, the chief minister is currying favour with P.V. Narasimha Rao. P. Shanker Rao, son-in-law of Union Minister of State for Rural Development G. Venkataswamy, was also dumped.

The composition of the new ministry is also causing problems for the chief minister. As many as 26 of the ministers, including 14 Reddys, are from the forward castes. Only 12 represent the weaker sections in the 38-strong team. The region-wise break-up is: 17 from Telengana, 14 from coastal Andhra Pradesh and only seven from Rayalaseema. Then, Janardhan Reddy did not include a single minister from the large West Godavari district, while the Ranga Reddy district got three berths.

Janardhan Reddy's gameplan is transparent. He is desperately trying to

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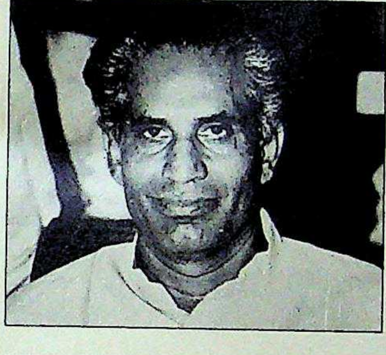
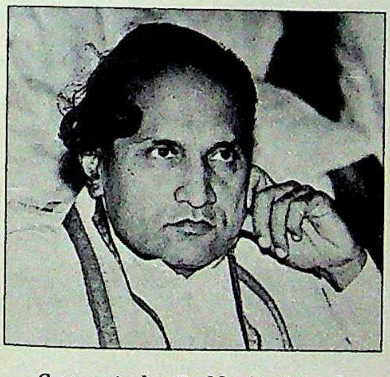
neutralise Dr Y.S. Rajasekhara Reddy, a Rayalaseema strongman and an open contender for the top job. Rajasekhara's supporters were kept out and M.V. Mysoora Reddy, Rajasekhara's rival from Cuddapah district, was made the home minister. But former chief minister Chenna Reddy, has also to be placated. So, his vocal supporters and some owing allegiance to Union Law and Company Affairs Minister K. Vijayabhaskara Reddy have been accommodated. Another former chief minister J. Vengala Rao's son, J. Prasada Rao, was elevated to cabinet rank and given the panchayati raj portfolio. To legitimise it, five other ministers of state were also elevated.

Photographs by BABJI/Janata Studios



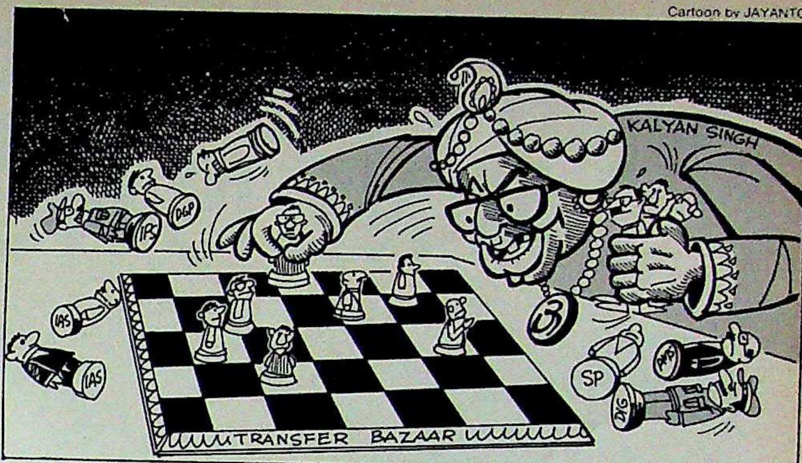


Samarsimha Reddy (top); and Ranga Rao: brewing trouble

All these attempts to win over leaders with clout may not ensure Janardhan Reddy's survival for long as Rajasekhara is a dogged fighter. He is determined to regroup the change-the-chief-minister forces for the next onslaught after the budget session of the Assembly beginning on August 17.

Making light of the threat of fresh revolt, Janardhan Reddy asks: "Will inducting all 180 MLAs in the ministry end dissidence?" Then, playing with semantics, he adds: "Dissent is part of Congress(I) history." But then so is chief ministerial musical chairs.

—AMARNATH K. MENON



Cartoon by JAYANTO

BUREAUCRATIC TRANSFERS

Posting Pains

Reshuffling game is on

IT'S popularly called 'the transfer bazaar' and this time it's the wholesale market that's dominant. Any change in government is a signal for mass bureaucratic transfers, with the axe falling on officials seen to be associated with the ousted regime. The transfer mela this time has affected mainly Uttar Pradesh, Karnataka, Kerala, Tamil Nadu and Haryana.

Ironically, as soon as the Kalyan Singh Ministry took over the reins of power, the chief minister extravagantly boasted he'd close "the shutters of the transfer industry". Famous last words, in the event. For within a month the game of musical chairs began. Expectedly, all officials who had supposedly cosied up to the ousted Mulayam Singh Yadav government were removed. Within a month the new Government had crossed the 130-mark as far as transfers of IAS officials were concerned—beating Yadav's record of 51 transfers early this year.

According to the IAS officers' association, the Appointments Department has issued as many as 897 transfers since last January. The story is no different for the IPS. The Home Department totted up more than 658 transfer orders since January 1990. The Kalyan Singh Ministry itself is responsible for 105 IPS transfers in July this year.

Apparently, the overall 4,000 transfers include 205 Provincial Civil Service officials, 1,200 Provincial Medical Services (PMS) doctors and 1,600 engineers. Strangely, even as 21 of the 40 secretaries have been moved, some of the controversial ones appointed by the Yadav government continue to hold key positions.

Then there are some strange reversals. Two DIGs and one SP had their transfer orders reversed within hours of the announcement. Of the 92 special grade PMS doctors transferred by the Health Department on July 18, more than 50 names did not figure in the fresh list issued on July 21. Says a senior bureaucrat: "If Mulayam Singh is to be blamed for upsetting the entire administrative rhythm, the BJP Government has done no better." Especially as each transfer costs the state exchequer between Rs 5,000 and Rs 8,000.

Bureaucrats aren't the only ones complaining. The Kalyan Singh Ministry has also faced flak from party MLAs themselves. Said an agitated MLA: "If this is how you plan to bring in a clean administration, you will soon be where Mulayam Singh is today." But the ministry is in no mood to listen.

Kalyan Singh isn't the only one guilty of giving bureaucrats marching orders. In Kerala, District Collector A.K. Dube was shunted out barely four days after assuming charge in Cannanore. Chief Minister K. Karunakaran's explanation: Dube's inadequate relief measures for the flood victims in his district. The truth is that Dube had fallen out with some leaders of the Muslim League, a powerful partner in the coalition ministry.

Dube's transfer is only the latest in a series of moves by the new Government to weed out all former chief minister E.K. Nayanar's appointees. It comes close on the heels of chief secretary Padma Ramachandran's exit. Also shown the door was DGP Rajgopal Narayanan in order to make way for A.V. Venkatachalam, the present chief minister's favourite. And the previous LDF government's *bete noire* Madhusudan Nair is the new intelligence

"YOUR FOCUS IS RIGHT. MINE IS NOT."

Photo Courtesy : Zuben Mathews.

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chief. While Karunakaran justifies the transfers saying that his aim is to revitalise "the administrative set-up which was dead under the LDF", there are few buyers for his argument.

Tamil Nadu Chief Minister Jayalalitha's report card also has about 100 reshuffles to her credit. Among the baffling senior level removals: home secretary B. Vijayaraghavan and chief secretary T.V. Antony.

In Karnataka too Chief Minister S. Bangarappa is going hammer and tongs at removing all officials who enjoyed a good rapport with the previous government. Despite former chief minister Veerendra Patil's assurances that no official would be transferred until he'd completed his three-year term, the heads of 53 IAS officers were the first to roll as soon as Bangarappa came to power. Of them, 30 are yet to complete even a year in office. The most prominent cases are the return of J. Alexander as excise secretary and B.S. Patil as secretary, industry and commerce—both earlier indicted by the Lok Ayukta.

Traditional leader Haryana has already set new records (INDIA TODAY, July 31, 1991). With such frenetic activity, it's obvious the Government's exit policy will apply to one industry—the transfer bazaar. —DILIP AWASTHI
with bureau reports

BOTTOMLINE BY D. BUNKER

Trust and Mistrust

THE political trust-and-parry over the controversial Rajiv Gandhi Trust may have ended but it has laid the foundation for a trend that could send many careers out of control. Already, the office of the Registrar Of Trusts (ROT) has been bombarded with applications. Here's a sampler.

The Manmohan Singh Trust: Intended to provide liberal economic securities for finance ministers on the plea that this job has the highest turnover and no exit policy for those who would prefer to resign rather than be sacked. The application provides statistics to prove that the average tenure of FMs is 169.96 days (excluding Sundays) and there is, therefore, an urgent need to set up EX-FM scrips as pension funds. Donations to the Trust will be tax-free but is only open to big industrial houses.

The Devi Lal & Sons Trust: Intended to bridge the rural-urban divide by raising the standard of rural living. Those who qualify (must have genuine rural post office addresses like 4 Willingdon Crescent) will be provided with Mercedes cars, farmhouses with swimming pools, private armies for protection and free meals at the Ashok Hotel.

The Chandra Shekhar Trust: Set up to help ex-prime ministers who cannot complete a full term in office. Qualification criteria will be based on performance with a bonus for leaders whose party winds up with less than 10 seats in the Lok Sabha. Candidates who qualify will be given a 60-acre farm landscaped by M.F. Husain, paddle boats designed to test the waters and the services of Subramanian Swamy as a go-between whenever he is between parties.

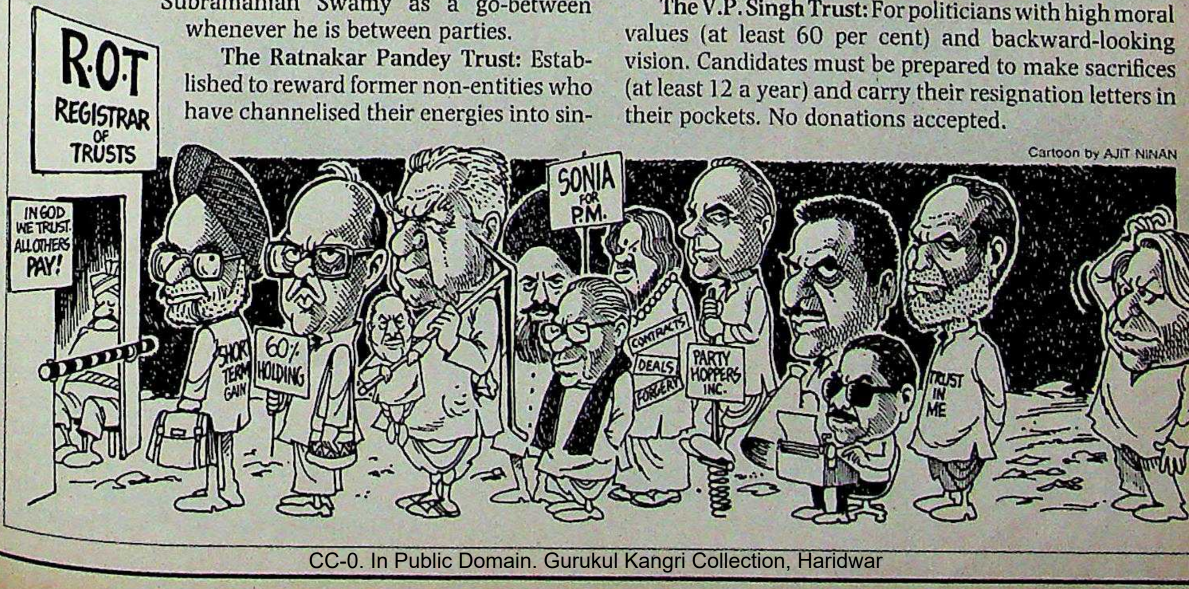
The Ratnakar Pandey Trust: Established to reward former non-entities who have channelised their energies into single-minded crusades. Candidates must have exceptional lung-power and an obsession with one-point programmes. Donors will be given free 'Soniaji for PM' badges and 'I love Soniaji' T-shirts.

The S.S. Ahluwalia Trust: Meant for those Lok Sabha members who want to play a more activist role in parliamentary proceedings but were afraid to ask. The Trust will produce a special handbook titled "How to defeat your own party without really trying". Candidates must possess outstanding ability to disrupt sessions by moving nonsensical motions. Donors will be able to purchase tickets to the Lok Sabha visitor's gallery which will be exempt from entertainment tax.

The R.K. Dhawan Trust: Intended to guarantee political security for former stenographers who were on a hot streak but are now out in the cold. Candidates will be provided a Loyalty Incentive Compensation (LIC) policy to safeguard them against sudden, unforeseen disasters that render them orphans. Donors will be given free samples of special hair oil which provides staying power.

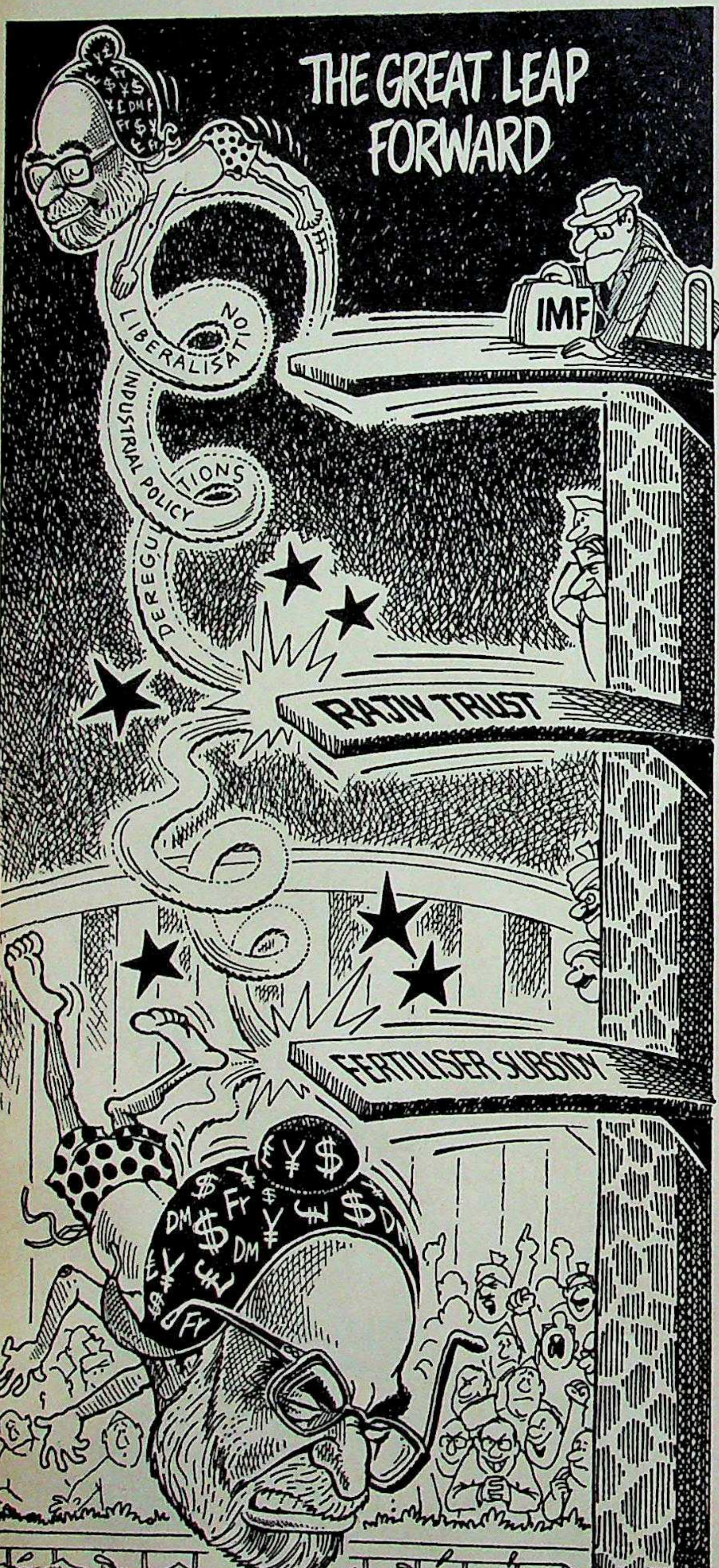
The Chandra Swami Trust: Conceived to educate prospective godmen in the best use of spiritual power. The Trust will conduct courses by Mamaji and lectures by such notable figures as Adnan Khashoggi and Pamela Bordes. Only candidates with clout and contacts need apply. No forgeries accepted. Donors must be either billionaires, movie stars, ministers or secretaries to the Government of India.

The V.P. Singh Trust: For politicians with high moral values (at least 60 per cent) and backward-looking vision. Candidates must be prepared to make sacrifices (at least 12 a year) and carry their resignation letters in their pockets. No donations accepted.



Cartoon by AJIT NINAN

CARTOONSCOPE BY AJIT NINAN



APPOINTED: Surendra Nath, the new governor of Punjab. A former police officer, Nath had served as inspector general of police in Jammu & Kashmir. According to a Rashtrapati Bhavan communique, Nath will take up the gubernatorial position as well as be the administrator of the Union Territory of Chandigarh.

◆

DIED: Dr Basavaraj Rajguru, 71, renowned Hindustani vocalist from Dharwar. Having developed his own distinct style drawing from the Kirana, Gwalior and other *gharanas*, Basavaraj was honoured with the Padma Shri and the Padma Bushan, among several other awards.

◆

SWORN IN: Leila Seth, as chief justice of the Himachal Pradesh High Court. Seth is the first woman to be appointed chief justice of a high court in the country. Having studied law in England, she also acted as chief justice of the Delhi High Court for a short time. She is, incidentally, the mother of noted writer Vikram Seth.

◆

BANNED: By the Gujarat Government, a drug that changes the sex of a foetus. Its pamphlet claims sure success if taken after conception.

◆

DISQUALIFIED: Ramakrishna Hegde, from the membership of the Karnataka Assembly with effect from December 5. The move was ordered by the governor on a petition by Congress MLC A.K. Subbiah, stating Hegde was holding the office of deputy chairman of the Planning Commission while an MLA.

◆

DEMANDED: By angry BJP Lok Sabha members, an apology from Madhavrao Scindia. Objecting to the reported statement made by Scindia, calling BJP leaders "traitors", the party threatened to review its attitude towards the Government if the minister did not apologise.

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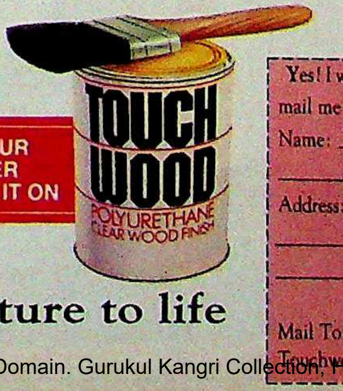

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CONGRESS(I)

THE SONIA FACTOR

By INDERJIT BADHWAR and ZAFAR AGHA

DELEGATIONS of Congress(I) MPs and politicians who now regularly visit Sonia Gandhi at 10, Janpath every evening are warned by her secretary Vincent George or the party bosses who arrange the meetings that they should strictly avoid talking politics. But what is now being played out at Number 10 is politics all the way. And Sonia is caught in its vortex. Whether Rajiv's widow likes it or not she has become the focal point in a power struggle within the ruling party in which party bosses through a series of interlocking alliances and rival groupings are jockeying for influence and control. The organised visits are not innocuous condolence meetings but rather part of a well-orchestrated strategy that includes: keeping Sonia in the public limelight while at the same time enhancing her mystique; claiming importance according to the number of partymen that a boss or faction succeeds in getting appointments with her; using emotional blackmail on partymen to fall in line behind a particular faction or leader; keeping the prime minister off-balance by signalling that Sonia is an alternative if not higher point of loyalty; and keeping the pressure on her to join active politics.

The common political logic undergirding the playing of the Sonia card is that with the leadership issue within Congress(I) still unsettled, only she—as an inheritor of the Nehru-Gandhi legacy—can be acceptable to all Congressmen

SHARAD SAXENA

Sonia at Rajiv's Bharat Ratna ceremony

and probably emerge as a national-level vote-catcher on a continuing sympathy wave in a new general election.

The key groups in this game consist of the "coterie" of Health Minister M.L Fotedar, party General Secretary Ghulam Nabi Azad, and Treasurer Sitaram Kesari; the "orphans"--Rajiv loyalists like R.K. Dhawan and Satish Sharma who hold no party or government posts; the "chorus boys" of the Rajya Sabha led by S.S. Ahluwalia and Ratnakar Pandey who express vocal opposition to the prime minister.

In their common aim to bring Sonia into politics and latch on to her saree *pallu* for their own political survival or to use her name in order to achieve their own ambitions, they are seriously impeding the party's functioning as a cohesive unit.

MOUNTING THE PRESSURE

May 22	Congress Working Committee picks her as party president	**She declines**
Mid June	Coterie projects her as pro-Rao in Narasimha Rao-Sharad Pawar struggle	**She issues denial**
Early July	The party organises visits of members of Parliament	**She insists politics will not be discussed**
Early July	Group visits of Amethi constituents organised	**She meets them in silence**
July 5	At a solemn ceremony Rajiv awarded Bharat Ratna posthumously	**Sonia focus of a Doordarshan morning show**
July 24	Rs 100-crore grant for Rajiv Gandhi Foundation	**She declines the offer**
August 20	Planning to visit Amethi to observe Rajiv's birthday	

The so-called "family loyalists" remain undeterred by Sonia's reluctance to enter politics. They are unhappy with P.V. Narasimha Rao for showing independence and try at every opportunity to wield their own influence for appointments to the PMO and other government posts. Junior ministers complain about phone calls from "an assistant in No. 10" even for the appointment of a typist; Rajya Sabha member Rudra Pratap Singh refuses to be sworn in as a minister for state insisting that Sonia should first agree to contest from Amethi; a meeting is arranged between Vayudoot officials and Sonia at which they seek her help in saving the losing airline from closing down.

IN palace politics Sharma continues to play a low-key but dominant role. Even though he is without a power base of his own, he is a perfect example of the clout that even a lightweight politician can wield within the party as well as create management problems because of the Sonia factor. Consider, for example, his role in the controversial Rs 100-crore grant to the Rajiv Gandhi Foundation that embarrassed the Government and even threatened to pull it down.

In mid-June close friends of the Gandhi family held several meetings with Sonia to discuss establishing a foundation in Rajiv's memory as well as its funding. In the final meeting held at Vice-President Shankar Dayal Sharma's house on June 21, it was decided that Sharma, a trustee, should issue a fund-raising appeal worded: "We appeal to all those who believe in Rajiv Gandhi and his vision of India to come forward and support this endeavour generously." A trustee explained: "Sonia never had any objections raising money through donations and appeals, and she would have liked to keep it that way." But others saw in the foundation a device not only for keeping Sonia—as chairman—in the limelight but also a powerful vehicle for patronage if the funding was right.

According to insiders, Sharma sent word to his old friend Rameshwar Thakur, minister of state for finance, that the Government was really doing nothing for the foundation, indicating unhappiness over this in the Gandhi household. That was enough for the Government to panic. Rao and Manmohan Singh, despite their own serious reservations, pushed the Rs 100-crore grant as a budget proposal.

When the Opposition created a stink in Parliament over giving a government grant to a private trust, Sharma and his allies in Parliament turned the issue around and used it as a stick with which to beat the Government. Some cabinet ministers blamed the Government for "mishandling" the issue. And Pandey and Ahluwalia, who take their cue from Sharma and Dhawan, openly criticised the Rao Government

PLAYING THE SONIA CARD

Disparate power groupings within the party are using her name to achieve their own political ends.

THE COTERIE

Holding political office

FOTEDAR

AZAD

KESARI

STRATEGY: Lobby bosses in Sonia's name.
OBJECTIVE: Subdue Narasimha Rao.

THE ORPHANS

Behind-the-scene players

S. SHARMA

R.K. DHAWAN

STRATEGY: Show selves as Sonia confidants.
OBJECTIVE: Pull party strings and control patronage from behind.

THE CHORUS BOYS

The upfront noise-makers

PANDEY

AHLUWALIA

V. SINGH

STRATEGY: Carry out directives of the Orphans and orchestrate public demonstrations for Sonia's entry into politics.
OBJECTIVE: Ensure their own renominations to the Rajya Sabha.

for "letting down Rajiv Gandhi's name".

Sonia is said to be sensitive about anything besmirching her husband's memory. And one of the tactics used by those pressurising her to join politics is to prey on this sentiment, the argument being: if Sonia does not enter politics there will be no one willing to protect Rajiv's name. In the wake of the foundation controversy, a whispering campaign was started by the inner circle at No. 10. George told several Congressmen that Rao was "ungrateful" to the Gandhi family.

But unlike this group of self-proclaimed Rajiv loyalists which has a vested interest in sowing disaffection against Rao in the name of Sonia, she has herself shown no inclination to embarrass the Government. In fact, she bailed it out of a major crisis in finally turning down the grant.

ON the contrary, the various "pro-Sonia" lobbies including the voice brigade have no such compunctions. And even when their actions have caused injury to the party they have escaped party discipline because they are protected by the aura of being "Sonia loyalists" by articulately championing her entry into politics.

On August 4, for example, the Rao Government suffered one of its worst embarrassments when Ahluwalia's statutory resolution disapproving a bill passed by the previous government was defeated in the Upper House on a day when Opposition MPs were in a majority in the House. Ahluwalia's legislative tomfoolery includes proposing amendments to the Government's vote of thanks on the President's address, seeking Special Protection Group security for Sonia and her family, and attempting to broaden the scope of the J.S. Verma Commission of Inquiry. But nobody in the Congress(I) dared even to issue a show-cause notice to Ahluwalia who is considered to be close to Dhawan and is popularly known as the "Mr 10, Janpath Man of the Rajya Sabha".

In another embarrassment to Rao and the party on August 5, Congress(I) MPs started receiving telephone calls from the party parliamentary office. "Soniaji has agreed to meet MPs this evening. You please reach 10, Janpath before 6.30 p.m.," said the caller who claimed he was speaking from the office of Congress(I) Parliamentary Party Secretary T. Chandrashekhar Reddy. As MPs began to gather for the tryst, they were told that the appointment was cancelled. The idea was to smear egg on Rao's face. As one angry minister explained: "It was to demonstrate that at a time when the controversial budget was under discussion even a phone call from 10, Janpath's puppets can make them run to see Sonia." Again, it was Sonia who helped retrieve the situation. When she was informed about the political machination behind this seemingly innocent meeting, she immediately cancelled the appointment to avoid embarrassment to the Rao Government. But Sonia's repeatedly "bailing out" the Government also sends convenient signals that Rao survives at her mercy.

The tactics pursued by those playing the Sonia card have common elements: first create problems for Rao, blame him for them and then rally disgruntled elements to their side. The ultimate purpose is to pressurise Rao to succumb to their demands or face Sonia as a rival power centre. In the Cauvery dispute, for example, Dhawan and Fotedar pushed the Centre to force Karnataka Chief Minister S. Bangarappa to issue the infamous ordinance. But when party MPs from Tamil Nadu revolted, the coterie immediately ganged up with them to criticise the Government.

It was significant, during this crisis, that when minister of state for labour V.K. Ramamurthy, who is also Tamil Nadu PCC(I) chief, resigned without informing Rao, his first statement called for Sonia's entry into politics. In the old days such

JOGINDER CHAWLA

Sonia canvassing in Amethi in 1989: home turf

AMETHI

Waiting for 'Soniaji'

THE battle of Amethi has begun. Unused to being ignored, the premier constituency in the country is going all-out to retain its regal status.

Local Congressmen are lobbying frenetically to persuade Sonia Gandhi to watch over the interests of those "loved and cherished" by former prime minister Rajiv Gandhi. No less than 20 delegations, comprising every local leader worth his salt, have met Sonia more than once.

The hand that guides them, though not visibly, is that of Rajiv's campaign manager in Amethi, the controversial pilot-turned-politician Satish Sharma. It is his orders which are executed by coordinators who were earlier in charge of the constituency's assembly segments.

From their temporary base in New Delhi's Talkatora Stadium, booked for them by Sharma, the six coordinators look after the logistics of the draft-Sonia offensive—organising the sought-after appointment and the stay for those coming in orchestrated bus-loads from Amethi to enjoin Sonia to contest. In Amethi, since July 2, sits ace slogan-coiner Jagdish Piyush, considered to be Sharma's man. His brief: to ensure that all local leaders leave for Delhi to meet Sonia. The Rajya Sabha members Baba Misra and Rudra Pratap Singh, are also key actors.

Buses are hired for about Rs 6,000 a round trip to the capital. The leaders generally foot the bill themselves. But there is no altruism involved. As one of them put it: "Not only Satish Sharma, but each one of us would be reduced to nothing if Sonia does not represent Amethi."

They cannot wait to get cracking. Says Amethi block pramukh Ram Murti Shukla: "We have assured Satish Sharma that Sonia has only to file her nomination papers and then wait for the election certificate. We will manage everything else." No local leader will dispute that. There has been a series of rapid-fire resolutions: from the District Congress(I) Committee, the UPCC(I) and the CLP(I), all asking Sonia to represent Amethi. As CLP(I) leader Pramod Tewari says: "There is no question of anybody else contesting."

For them it is a question of survival. After the saffron storm and the death of Rajiv, Uttar Pradesh has become almost incidental in the Congress(I)'s scheme of things. Erstwhile state superstars have been reduced to bit players. It is a situation that takes getting used to. Which explains why all Union ministers from the state—Balram Singh Yadav, Ram Lal Rahi, Salman Khursheed and M.L. Fotedar—have also been trying to persuade Sonia to step into the political arena. Says Yadav: "I told her that she should look after her husband's state." All Sonia told him was: "I will consider your suggestion."

But the leaders are fairly confident that Sonia will give in. "How will she refuse if every child, woman and man in Amethi stands outside her house and pleads with her?" asks veteran politician from Musafirkhana, Anand Prakash Mishra. They take heart from the fact that Sonia is meeting delegations mainly from Amethi.

Their game-plan is ready. First get her to visit Amethi. With Piyush initiating a padayatra to Sriperumbudur on Rajiv's birth anniversary, the pressure on Sonia has been stepped up. Before that, Sonia is to meet at least eight delegations from Amethi. Then when by-elections are announced, the UPCC(I) will offer her the party ticket. To resist the concerted onslaught by Amethi denizens, Sonia will need to display uncommon will-power.

—DILIP AWASTHI

conduct would have invited harsh disciplinary action. But as a senior minister explained: "Since Ramamurthy immediately branded himself a Sonia loyalist, disciplining him would be considered an insult to the Gandhi family. This puts Rao in a tight spot in terms of managing the party."

But people like Ahluwalia remain unrepentant about this kind of behaviour. "What will happen to the 80 crore people of this country if Soniaji does not lead us," wonders Ahluwalia. He perhaps is not as much concerned about 80 crore people as he is worried about his own political career. His Rajya Sabha term is coming to an end in March next year. He will have trouble getting renomination without the Gandhi backing in the party. Other Rajya Sabha members like Pandey, Vishwajeet Prithvijeet Singh and Jayanti Natarajan are in the same boat for the same reasons.

A fourth group of Congressmen—the "state rejects"—wanting to push Sonia into politics comes from Bihar and Uttar Pradesh, the two states where the Congress(I) was routed in the last elections. In Bihar the party has been virtually decimated. Now it is seeking to revive the Gandhi charisma to rescue it. The state party chief Jagannath Mishra recently led a delegation to meet Sonia. Says Uttar Pradesh PCC(I) chief Mahabir Prasad: "I will be meeting Soniaji to request her to contest the Amethi election and accept the Congress presidentship." Interestingly, Prasad is under pressure to step down following the party's debacle and, like the Orphans, he too sees Sonia as the last refuge.

All this has made Rao uncomfortable. But he has so far been unwilling to change his independent style of functioning or to make any large concessions such as giving ministerial or party posts to the various groups aligned against him. The more intransigent he remains the greater the pressure on Sonia from orphaned state and central politicians.

SONIA so far has resisted. She declined the CWC 'unanimously' nominating her as Congress(I) president. When her name was dragged into the CPP leadership tussle between Rao and Sharad Pawar, she set the record straight through a statement that she was not backing any one.

Inquiries from people close to Sonia confirm that she has still not changed her stance. "She seems determined not to enter politics," a foundation member said on condition of anonymity. Another added: "Do you think she is not aware of the tragedy that's befallen three members of her family?" Though her friends do not go on record on the subject, the impression is that Amitabh Bachchan, Suman Dubey, Mani Shankar Aiyar and M.J. Akbar would like to see Sonia continue with her private life rather than enter the cesspool of Indian politics.

Her weakness, however, is Amethi. In her years of working in her husband's constituency, she has developed a genuine love for its people for many of whom she and her daughter Priyanka have a warm attachment. And it is this Achilles' heel that the Rajiv loyalists are trying to exploit. According to one of her friends, the only reason

SONIA GANDHI'S CONFIDANTS

INNER CIRCLE

AMITABH BACHCHAN

SUMAN DUBEY

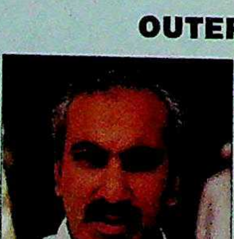
SATISH SHARMA

V. GEORGE

Bachchan and Dubey bearing on her not to join politics. Rest using subtle, indirect pressure to get her into politics.

OUTER CIRCLE

SAM PITRODA



M.J. AKBAR

P. CHIDAMBARAM

MANI SHANKAR AIYAR

Access to Sonia revolves around Rajiv Gandhi Foundation activities.

SHARAD SAXENA

SONIA GANDHI

Sonia, Rahul and Priyanka: uncertain future

Poignant Predicament

As the rear gate of 10, Janpath is thrown open, a car whizzes by. It is the only one, apart from Satish Sharma's, which can drive straight through the tightly-packed security cordon.

It is loyal family retainer Vincent George coming in, as he puts it, "to assist Soniaji". Because as government offices wind up work, between five and seven every evening, 10, Janpath becomes the centre for a whole host of Congress(I) MPs and ministers.

In what was once her husband's residential office, Sonia Gandhi sits waiting for her visitors. George has the task of deciding who can see her and in what order. After the visitors are frisked at the reception, they go in to meet her. The atmosphere is sombre and the talk stilted.

Politics is rarely discussed but in the forbidding fortress that is slowly coming to life, it is the invisible fourth resident. It is also a question which the woman who was more comfortable with her roles as dutiful daughter-in-law and loyal wife is reluctant to face up to.

Friends say she has enough on her plate to worry about. Her prime concern is her children. "Why can't people leave her in peace so she can come to terms with herself?" asks close family friend Kanta Dogra. Sonia, according to another friend, is anxious about her children's education. Having lived in a high-security cocoon all their lives, she knows it will be very difficult for them to live normally. And that, say insiders, may be the key factor which will force her to go back to the people.

For now, the country's most famous siblings are busy putting together the pieces of their lives. Priyanka has started attending classes at Jesus & Mary College, where she studies psychology. And Rahul is busy reviewing the course for his next term at Harvard beginning next month.

For Sonia, the tedium of routine is a balm. She is in the study by 10.30 every morning, where she sorts out the mail—mostly condolence messages and letters from social service organisations seeking aid from the Rajiv Gandhi Foundation. It is this which is becoming her lifeline.

As chairperson for life, Sonia meets the executive committee members once every week. Helped by friends Amitabh Bachchan and Suman Dubey, Sonia, who actively sets the tone for the discussions, has earmarked four areas through which she hopes to keep Rajiv's interests alive: science and technology, aviation, literacy and opportunities for women and children. Sub-groups have been set up: Bachchan is convenor of the film world, R.P. Goenka of business, N.K.P. Salve of accounts, Lalit Bhasin of lawyers and Madhavrao Scindia and Mamata Banerjee of sports.

But life without Rajiv is lonely. Sonia's mother has gone back to Italy but her elder sister, Nadia, is staying on to help the family to get used to the heavy loss. Always a bit of an outsider, Sonia has few friends to turn to. The ones who are privy to her thoughts find her quieter and more depressed. The only time her eyes light up is when friends talk of Rajiv. Like when visiting politicians tell her of tours with Rajiv or when former Indian Airlines colleagues relate anecdotes of their days with her husband. Talking about Rajiv is cathartic. As a friend puts it: "Right now, she is inquisitive only about Rajiv."

But soon Sonia will have to decide—either way.

—HARINDER BAWEJA

SHARAD SAXENA

The draft-Sonia strategy: create problems for the prime minister, blame him for it, then exploit the discontent.

she has not yet issued a public denial about abjuring all politics is "because she is uncertain about whether or not to stand as an MP from Amethi. It is something too personal with her."

But the "loyalists" are going ahead with plans as if Sonia is contesting. Even the Amethi-to-Sriperumbudur padayatra being organised by Sonia loyalists to mark Rajiv's 48th birth anniversary on August 20, has been given a Rao-versus-Sonia political twist by them. The organisers claim that even though the event has "Soniaji's blessings", senior AICC(I) members loyal to Rao have been trying to thwart it.

Her supporters say that even if Sonia fights elections from Amethi she will not take an active interest in the internal affairs of the party. But the reality is that once she takes the plunge she will become the focus of national attention and opposition leaders will take their gloves off. Jokes such as "Congress-I—I for Italian" and "Rome raj" will once again make the rounds. The Bofors connection, Snam Progetti, the Quattrocchi connection will be revived again. And the BJP will be at its xenophobic best in attracting anti-Congress(I) votes. Sonia's friends also fear that she and her children will face an even greater threat to their security.

And neither will things be rosy in her own party. A new power struggle within the party will be unleashed into which the Opposition could well be dragged. "If she now joins politics, she would be taken as a factional leader instead of an unquestioned leader like her late husband," a senior Congress(I) leader pointed out.

A large number of MPs now enjoying a newly-found freedom in the party will not welcome the return of the "coterie raj". And with her mystique waning, she will face open opposition even from within her own party. And the infighting could even result in a party split.

But there's an even larger issue at stake. Many independent observers believe that a party bringing in an unqualified person as a de facto leader purely because of dynastic compulsions or selfish reasons shows the disastrous bankruptcy of the political system. Says M. Farooqi, CPI national council member, throwing up his hands: "If they want to accept as the party leader someone who has had hardly anything to do with politics what can one do, who can prevent them?" Congress-watchers predict that once Sonia takes the plunge, the behind-the-scene operatives will push her to become party president, perhaps even to go for the top job. Says BJP leader K.R. Malkani: "If they try to make Sonia Congress(I) president the party will split. The country too won't accept her as the prime minister since she is seen as a foreigner."

Senior Janata Dal leader Madhu Dandavate laments: "In the post-Independence era there seems to be a premium on inexperience. It began with Rajiv, he came into politics straight from the airport. With Sonia it is worse."

But these arguments mean nothing to power-brokers and influence-peddlers who have known nothing in their lives but intrigue, manipulation, machinations and the lust for office. For them, short-term gain, even at the expense of long-term disaster, is like a narcotic compulsion. But for Sonia it must be a painful dilemma: even though she is out of politics she is very much in it and hurtling along a path that she always loathed and unsuccessfully tried to prevent her husband from taking.

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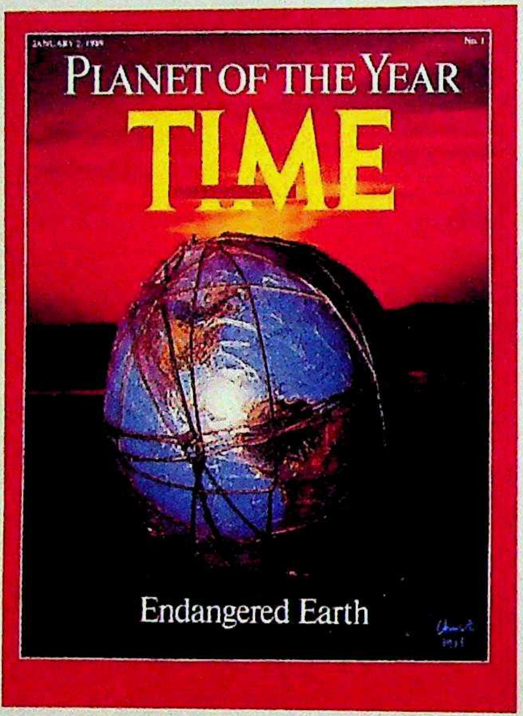
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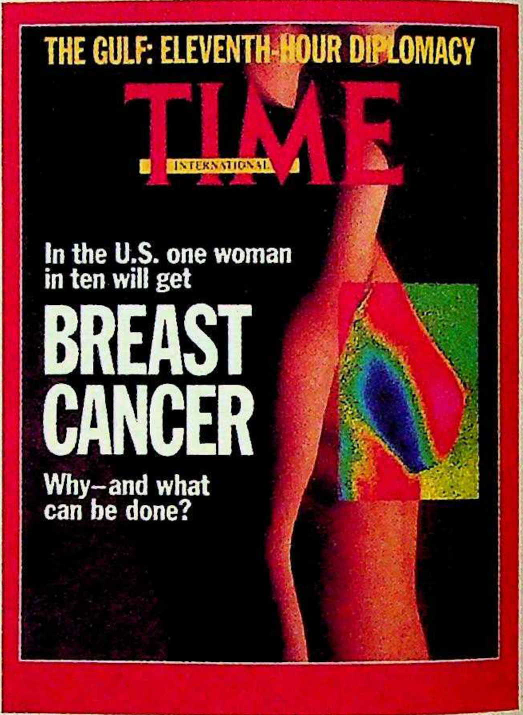
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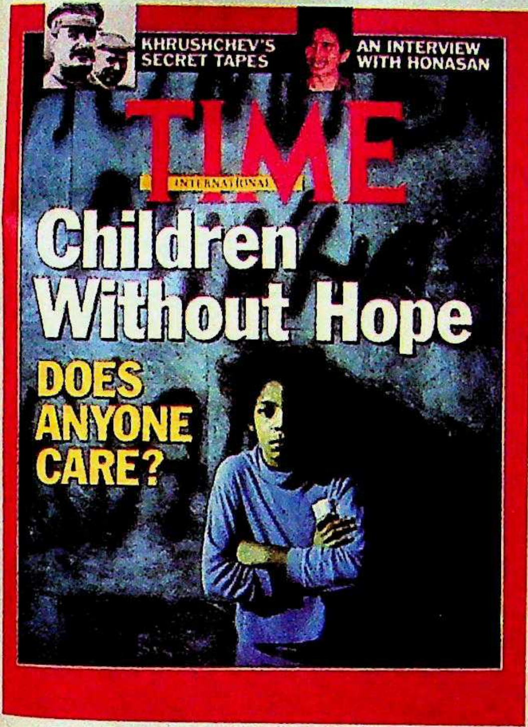
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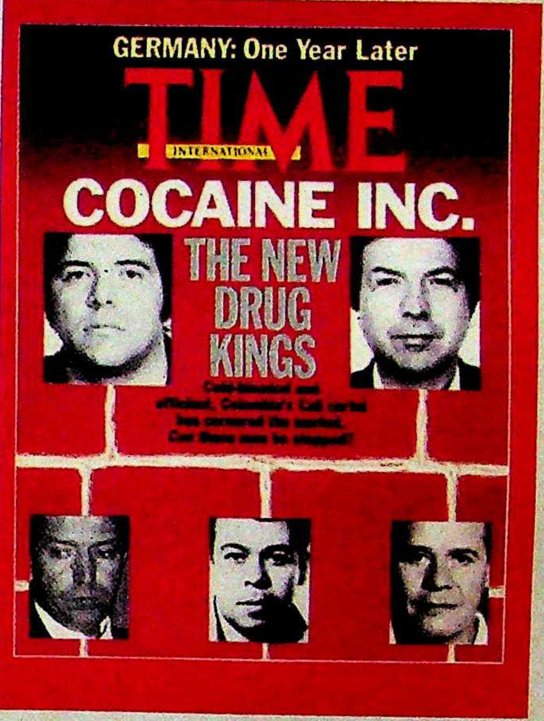
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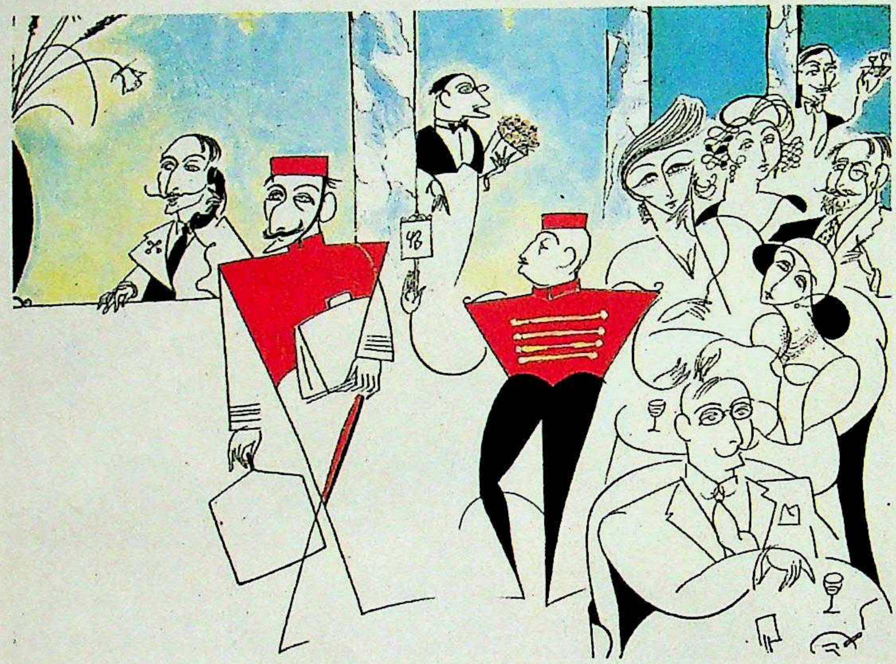

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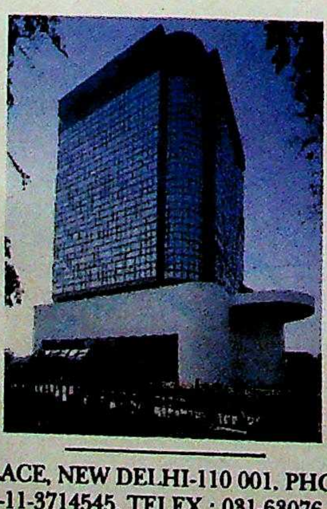

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UNITED KINGDOM

Ruling Against Terror

Focus on Sikh politics as three extremists are jailed

A dramatic judgement at London's Old Bailey last fortnight has once again focused attention on the expanding network of Sikh extremist activity in the UK. Three Sikhs, who plotted to assassinate moderate Sikh leaders by using hired assassins and also planned to transport explosives to India, were jailed for a total of 36 years.

Mrs Gurshan Sakaria, a businesswoman, Satpal Binjie and Paramjit Sidhu were arrested when Scotland Yard's anti-terrorist branch launched an undercover sting operation after learning from an informer that Sikh militants were trying to buy explosives to be taken to India for terrorist use. They also planned to hire someone to kill Beant Singh, the general secretary of the main gurdwara in Southall, West London. He was on top of their hit list for favouring a democratic approach to the Sikh problem. Sidhu is believed to be second-in-command of an offshoot of the hardline International Sikh Youth Federation (ISYF) while the two others are ISYF members.

Two police officers pretended to be gangsters who were prepared to murder for money. In a series of meetings with Sakaria and Binjie, the two officers were asked to kill six Sikh moderates and provide Semtex explosives. When the policemen agreed, the payment for both jobs was fixed at £100,000 (Rs 42,00,000).

The three were arrested after the undercover officers had delivered several kilograms of dummy explosives to them the night before Beant Singh was to be murdered. The judge in the trial said 43-year-old Mrs Sakaria—who had previous convictions for dishonesty and incitement to arson—had been preparing to kill Beant Singh because she disagreed with his views. "That is an offence of the most appalling gravity," Justice Wright said.

Twenty-three-year-old Binjie, he believed, had acted out of loyalty to Mrs Sakaria who had befriended him. He was said to have been very much under her influence and therefore received a lighter sentence of 10 years, while Mrs Sakaria got 15 years.

As for Paramjit Sidhu, who was jailed for 11 years for conspiracy to possess explosives, Justice Wright said his part in the affair had been a mystery "but I am satisfied that it was at least as important as that of Mrs Sakaria". A propaganda video played in the court showed Sidhu in Pakistan handling a rocket-propelled grenade launcher and wearing a "Free Khalistan" T-shirt.

Halfway through the trial, Mrs Sakaria decided to plead guilty to possessing explosives. She claimed that she had wanted the explosives (called "chocolates" throughout the negotiations) so that a businessman could blow up a warehouse in Ireland and claim the insurance. She had talked of "switching off" Beant Singh only to win over the two "gangsters".

Anti-terrorist officers believe they have achieved a major breakthrough in the fight against Sikh terrorists with the convictions against the three Sikhs. The idea behind killing moderates like Beant Singh was to "teach them a lesson". Justice Wright said he was convinced that Sidhu was a high-ranking terrorist and that during the trial, Sakaria and Binjie had done their best to protect him. ISYF members have been behind a number of terrorist attacks in Britain. Since 1987 four of its members have been sent to prison for plotting to kill Sikh moderates.

After the trial, Beant Singh told the press he bore no bitterness: "We do not have a revenging nature. They were misled. The real culprits are still at large." By this he meant the other members of the ISYF who, he says, instigated Mrs Sakaria, Binjie and Sidhu. Police believe he was targeted because he and other moderates took part in a high court action last year to regain control of the gurdwara from extremists. Control of the gurdwara, one of the biggest outside India, brings considerable power and wealth. Its weekly income is about £8,000 while the running expenses are just £2,000.

Beant Singh said he had survived many attempts on his life as a result of battles over the gurdwara. He believes that people like Sakaria, Binjie and Sidhu have virtually no support from the Sikh community because although many Sikhs might want an independent state, the vast majority believe this should be achieved through peaceful means. "These people are using the name of Khalistan in order to control the gurdwara and its funds. It's to do with greed, not politics."

—AMRIT DHILLON in London

Anti-terrorist officers believe they have achieved a major breakthrough in the fight against Sikh terrorists.

Beant Singh (right) and Sidhu: bloody politics

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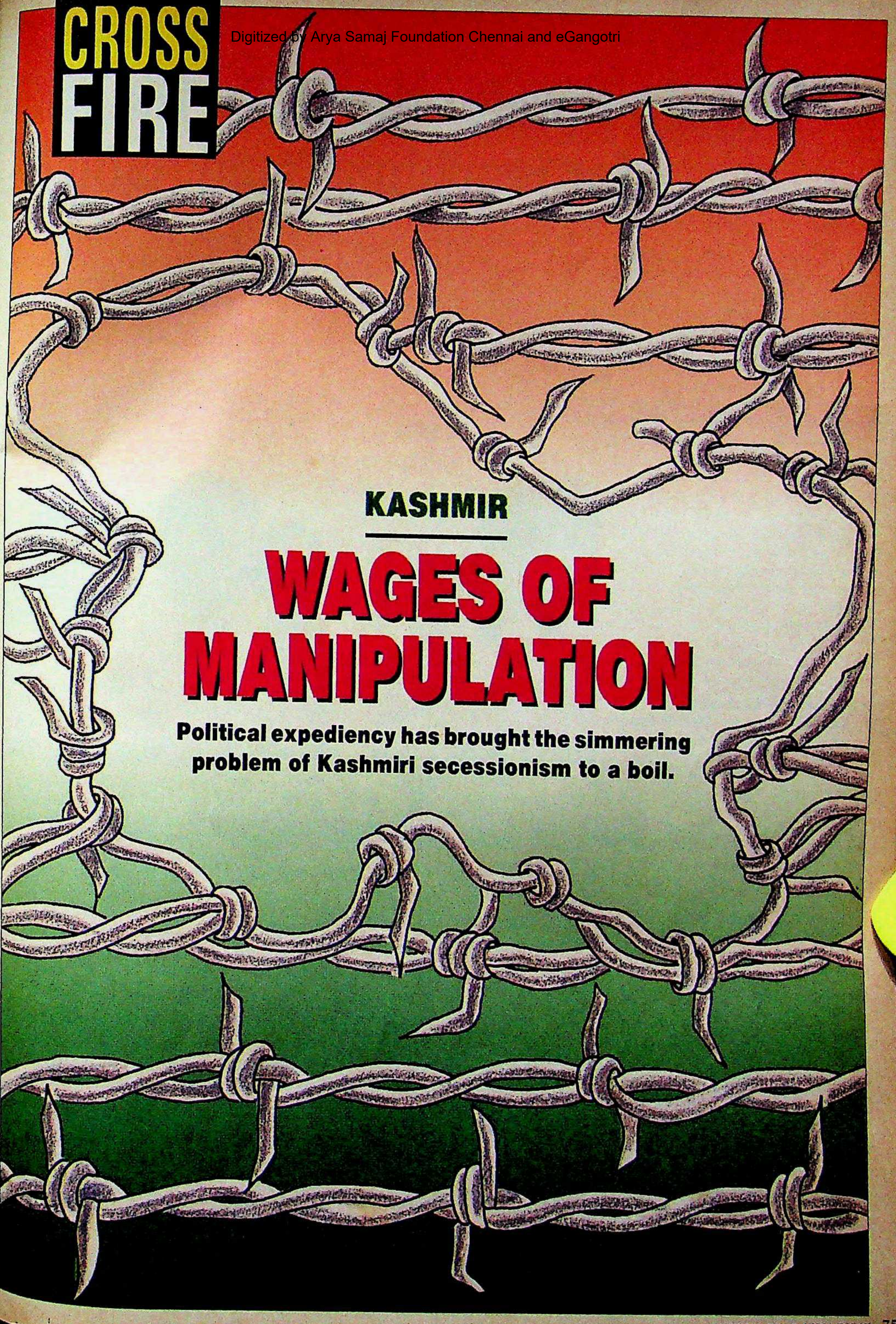

KASHMIR

WAGES OF MANIPULATION

Political expediency has brought the simmering problem of Kashmiri secessionism to a boil.

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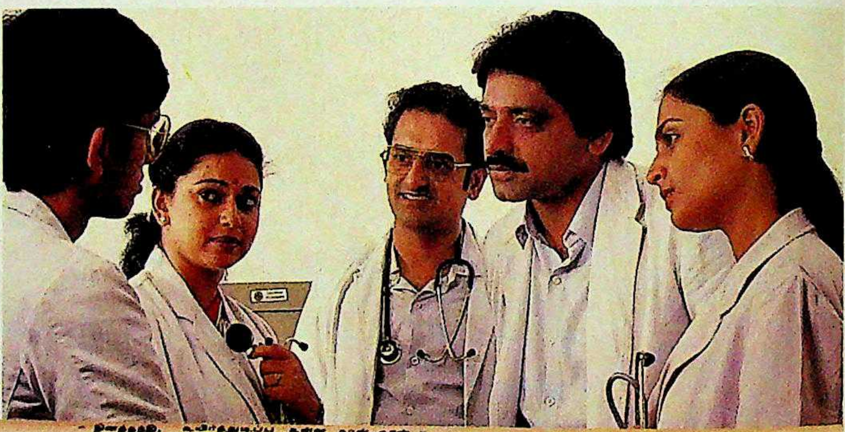

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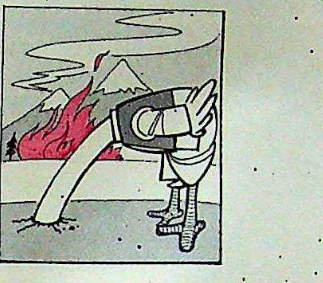
In an impassioned debate, key players and observers of Kashmiri politics focused on the Valley's complex problem. The participants were **M.J. Akbar, Saifuddin Choudhury, P.K. Dave, George Fernandes, Murli Manohar Joshi, Balraj Puri, Riaz Punjabi, P.A. Rosha, Lt-General Mathew Thomas and B.G. Verghese.** *It was chaired by Features Editor* SHEKHAR GUPTA, *edited by Kaveree Bamzai, Parveen Chopra and Anuradha Awasthi.*



DRIFT TO DISASTER

M.J. Akbar: Kashmir is immensely fascinating for all of us interested in the idea of India because, as Sheikh Abdullah described it, it is the true crucible of Indian secularism. Indian secularism is not simply a Muslim minority living as equals in a Hindu majority India. It is also a Hindu minority living as equals in a Muslim majority area, particularly since the idea of India was challenged at its very basic inception.

I refer to the history of the Muslim League from 1906 or even from the creation of the Anglo-Mohammedan alliance in 1889. 1916-32 would be the phase of regression in the two-nation idea of the Muslim League—from the Lucknow Pact to the split in the Muslim League in 1931-32. It gathered momentum again from 1934-35 as Jinnah came back, even though it was reduced to a minor factor in the '36 elections. But then very interestingly, the defeat in 1937-38 paradoxically became the fulcrum for the revival of the Muslim League because the elements who were defeated, relaunched the effort to win Muslim sentiment by increasingly using hysteria, fear mentality, and the latent inferiority complex. In fact the 1936 elections had produced the Muslim *rashtra*—and what we were seeing in the elections this year could well have produced a Hindu rashtra.

It is neither economic hardship nor communal currents, but 40 years of playing partisan politics with Kashmir that has brought the Valley to a dangerously separatist pass.

Armed JKLF militants: a state under siege

MEHRAJ-UD-DIN

In the 1937-1946 phase, the history of Kashmir is an exact reversal of the Muslim politics existing in the rest of India, the rest of the north. In Kashmir, the Muslim Conference was getting converted first into the National Conference which was launched under Sheikh Sahab and other luminaries. We tend to denigrate them, but leaders like Bakshi Ghulam Mohammed and G.M. Sadiq played a very critical role as the Sheikh's lieutenants in 1941-44. The degeneration from that high point of idealism to 1989-91 is the story of the defeat of India's ability to retain the trust of the Kashmiri, particularly the Muslim.

From the well-documented dilemmas of Jawaharlal Nehru when he sent Sheikh Sahab to jail in 1953 to 1984 when the Farooq Abdullah government was dismissed and to Jagmohan as the effective Afghan governor of Kashmir, is a study in contrasting reactions of the Indian state and of declining faith among the people.

George Fernandes: We really need to go back to the unjustified dismissal of Farooq Abdullah. I've personally seen the demonstration of people's anger and their support for Farooq. Farooq had never shown any hostility to the Indian state, in fact, he had tremendous conviction in it. Yet he was branded by Delhi as an anti-national. But then came the accord which was a purely political manoeuvre. Farooq should have known better. And then the question of elections. Since 1952 the people of Kashmir never had an opportunity to express themselves in a fair and legitimate manner except in 1977 and even then there were those in the Janata Party who wanted to continue with not allowing the people to vote. But Morarji Desai overruled that with firmness. Many Kashmiris have told me that the first time they saw a ballot paper was in 1977.

Against that backdrop

when Farooq decided to share power with the Congress(I), large segments of people, particularly the youth turned against him. And the 1987 rigging is one more watershed which exacerbated the alienation. Farooq continued to rule in a coalition with the Congress(I). Then in 1989 the Janata Dal came into power at the Centre, by which time the situation had become very bad.

I wish Jagmohan was here because he was the governor at a crucial period in Kashmir and his contribution to creating the present situation is not insignificant. Though he claims to have a lot to his credit, the damage he has caused is immeasurable. He repeatedly wrote to Delhi as to how bad the situation in Kashmir was and how things needed to be corrected. In '89 when the then home minister Mufti Mohammed Sayeed's daughter got picked up by the terrorists, our government's decision was fatal. By exchanging prisoners for the hostage we gave the signal that the Indian state was willing to yield in situations of this nature.

But I want to dispute that economic development has nothing to do with it. I cite here an experience. I was in Doda and there was a people's curfew against me. I went to see those holed up in the masjids and after the usual shouts about wanting *azadi*, they took me inside and hugged me. They made three major, though not new points. One, unemployment, which was the young people's lot. Second, where have the hundred thousand crores of rupees invested in Kashmir gone? They insisted the money was not used for developmental purposes but was siphoned away. Third, free elections. Except in 1977, they never had an opportunity.

The Kashmiris' problems are rooted primarily in economic development which is marred by corruption, in unemployment, and most importantly the absence of fair elections.

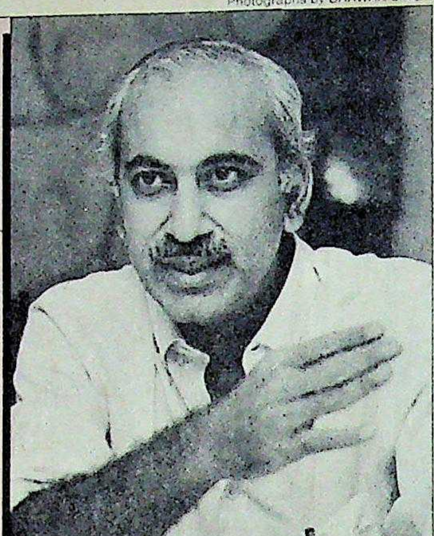
Akbar: This point is important. Some of the responsibility for projecting it as a Hindu-Muslim problem must lie with a part of the media. But the political battle is far more important than economics. For me too elections are far more crucial. People will accept under-development or biases if they feel they are participating in the decision-making. You can deny people bread but not liberty. Here it is relevant to compare '53 with '84, and see what happened to the father and what happened to the son. No difference except that the father was such a personality that he had to be kept incarcerated while Farooq was allowed to roam around. The fact remains that both were denied what was rightfully theirs: they had been elected by the people of Kashmir, and were not there on the mercy of Delhi.

Interestingly, even when Nehru put Sheikh Sahab behind bars, he still used the National Conference to run the state. The Congress did not exist in Kashmir as long as Nehru was alive. He understood that for reasons of history, of psyche, the Congress would be a negative force in Kashmir. Even when he thought that Sheikh Sahab had gone too far away from the Indian ideal, tempted by either America or by his own ambition, he did not choose the easy option of forcing the Congress Party down their throats. The real tragedy of the '84 accord was that Farooq began to be perceived as a man who had sold out Kashmir to a historically alien party. I was there with Farooq, and even when Rajiv Gandhi toured the state it was quite palpable that you had lost the young people.

Fernandes: Yes, but let me clarify why I made the point about economics. Kashmir today is paralysed in terms of the banking system, the postal service, the telephones and most other administrative services. Why? Because the Pandits who are just 3 per cent of the population in the Valley but held 80-90 per cent of the jobs have now left for Jammu, or Delhi or elsewhere. The Kashmiri Muslim always felt alienated because he was deprived of job opportunities while the Pandit got much more than his due share.

Balraj Puri: But we must not treat it as an extension of the Hindu-Muslim problem or Kashmir and the Jammu & Kashmir state as being synonymous. Even today Kashmiri-speaking Muslims comprise about 47 per cent of the total population in the state. There are other non-Kashmiri Muslims—about one-third of the Muslim population of the state is non-Kashmiri which is yet not involved or is in varying degrees of non-involvement. So that's a significant clue. In '47 the Kashmiri-speaking Muslims were only 33 per cent of the total population of the state. The problem arose partly because Maharaja Hari Singh decided to delay accession and this made the Kashmiris uncertain about their identity whereas the rest of the country was mentally prepared for India or Pakistan by August 15. In Kashmir even the Hindus were not reconciled to be

Photographs by BHAWAN SINGH



M.J. AKBAR
Journalist, author and former Congress(I) MP

"Mrs Gandhi's playing of the resettlement card communalised Kashmir politics as never before."

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"The way to tackle Pakistan is not to create a *cordon sanitaire*, but to reinforce the idea of *Kashmiriat* being a part of *Hindustaniat*."

■

"The Congress(I) tried to create a Bhindranwale in Kashmir—using Jamaat to finish off National Conference."

a part of India. Later, practically the entire population reconciled. Muslims who went to the Pakistan side of Kashmir, by and large adjusted to that country. In the Indian part Hindus, Buddhists, even Jammu Muslims, Dogra Muslims, Punjabi Muslims, Ladakhi Muslims, Gujjar Muslims, adjusted to India but not Kashmiri Muslims. The Valley certainly has a very distinct personality. There is a sense of Kashmiri pride, distinctiveness, common language, homogeneity. When the Muslim League said that the Maharaja had to decide the future of the state, Gandhi played a crucial role by saying that not the Maharaja but the people would decide. So the Kashmiri Muslims felt that their identity would be threatened in Pakistan, and they expected India to safeguard it. But when they talked about the identity now, they were accused of being separatist. Sheikh also used to say that Pakistan has come to enslave us and India to defend our freedom. So the Kashmiri perception of accession was different from New Delhi's. The feeling in Kashmir was that freedom was being defended by the Indian Army whereas Indian leaders said that Kashmir had acceded to India like any other state. So that became the initial source of confusion when the Government started pressurising Kashmiri leadership to think of themselves like any other state. Even Nehru said in Parliament and elsewhere that Article 370 *ghiste ghiste ghis jayega* (would wear out). This the Sheikh resisted. So the erosion of Kashmiri identity was both constitutional and political. And because of the unitary Constitution imposed on Kashmir, neither the Kashmiri personality could grow, nor Jammu's, nor Ladakh's. Today people like me defend Kashmir's autonomy within India provided its logic is extended to other regions in the state too. Because in all the three regions of Kashmir, people have a double or multiple identity. A Kashmiri is also a Muslim, a Ladakhi is also a Buddhist, Jammuites are also Hindus. I pointed it out to Nehru in '52. Later Sheikh issued a joint statement that the Constitution of the state would provide for regional autonomy. But Jana Sangh challenged this and had opposed autonomous status for Jammu within the state.

This erosion of the Kashmiri identity was also facilitated by the discontent in Jammu for which the BJP or Jana Sangh is partly to blame. Once G.M. Sadiq candidly told me: "The Jana Sangh is a lesser evil than a person like you because if you have some foothold in Jammu we will lose all the 32 seats. The Jana Sangh will not be able to get more than two seats in Jammu. So that enables us to rule over Jammu very comfortably."

P.K. Dave: Elections in Kashmir have been rigged from the beginning. Bakshi continued it unfortunately as did Sadiq who was the nearest to a true democrat. The Congress leadership at the Centre too thought it to be the best way of ruling Kashmir. But '87 exposed them because the Muslim United Front (MUF) came up and showed how there were candidates getting votes but the ballot box was not producing them.

Meanwhile, let us also grant that there is a generational change. There has been willy-nilly an Islamisation. Big funds have come in and the educational system has become religious at lower levels. The influence of the Maulvi has increased. As for the economic aspect, people talk of the thousands of crores of rupees meant for Kashmir. But Assam is no different. So that is futile talk . The people of Kashmir are happily placed with regard to food crops but it is the cities that cause the drain. Tourism is in the blood of the Kashmiri and it generally did well till disturbances intervened. The Kashmiri does not take neglect lying down. He screams at the top of his voice and fortunately he has had a local leadership that got support from the Central Government for border roads, for improvement of communications, even if slowly and inefficiently. Over the years this broke down and corruption became all-pervasive.

As far as rigging is concerned, the method changed from election to election. I was the chief secretary and this office is isolated from the rigging mechanism. A local official, quite a famous officer now, was the chief electoral officer thrice, and he had perfected the art. I am sure even Sadiq merely said: *Yeh kar do* (Do it). It was a blind spot, people thought without this there would be chaos.

Akbar: So the seats allotted to the Jamaat-e-Islami used to be pre-designed and pre-determined.

Dave: Yes, as was for Congress(I) in '87.

Akbar: '87 is a different matter. I am just talking about '71-'72. Were the seats won by the Jamaat in 1972 also handed out by rigging? It is important because the growth of Jamaat and its influence is a critical factor in Islamisation which has suddenly hit us. The Amir of the Kashmir branch of Jamaat does not owe loyalty to India.

MURLI MANOHAR JOSHI
President, Bharatiya Janata Party

"Kashmir was never assimilated with India. It was projected as the only secular model in the country and asked to remain in a ghetto."

"Pakistan has for long wanted to teach us a lesson for Bangladesh."

■

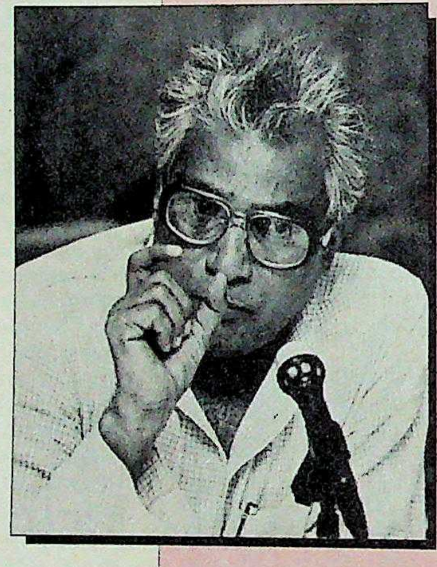
"The desecration of temples in 1986 gave a handle to a large number of people in Delhi and Kashmir to create a certain kind of political situation."

P.A. Rosha: It was in '72 that the Jamaat for the first time contested the elections. Till then they said they would not take the oath of allegiance, they would not contest. I agree with Dave that Delhi believed that it is okay to give them the form of democracy but not the substance. It was done systematically because even in '71 the Plebiscite Front was banned—this was done usually before every election. The Sheikh and Mir Afzal Beg were externed to prevent their influencing it.

Akbar: It still begs the question. Were the seats that the Jamaat got in spite of rigging, because of rigging, or a quiet understanding? Did the Indian state allow the Jamaat to come in as a factor?

Rosha: I don't think so.

Akbar: From what I have heard or read, the Jamaat was deliberately allowed in. It was a process where you were trying to create an opposition to the Congress or to the Congress-supported National Conference. The monster which was going to swallow you was created here—by denying the natural will of the people. Everybody here agrees that '77 was the only fair election. Nobody has pointed out that the person who won the genuinely fair election was Sheikh Abdullah. And he won overwhelmingly in Jammu. His son could not repeat it. And the Sheikh then was under tremendous pressure. That's why the effort was made to create a Bhindranwale in Kashmir—the Jamaat was given seats to finish off the National Conference.



B.G. Verghese: When Farooq Abdullah was thrown out in '84, it was with the support of the Jamaat. The Gul Shah government was formed with the full backing of Mrs Gandhi. This shows how for partisan, political reasons, national interests have been wilfully and openly sacrificed time and again.

Akbar: It was the '83 elections which communalised Kashmir politics as nothing else before—through the resettlement bill. Mrs Gandhi did play the resettlement card by pointing across the border. That created the reaction which began communalising politics.

Murli Manohar Joshi: In 1986 when Gul Shah was removed and Farooq again brought to the centrestage, another communalisation process took place. You destroyed temples and created a lot of communal elements. Up to that time there were people who came to defend temples and Hindu families. So a communal atmosphere was created and Gul Shah blamed for destroying the temples, to pull him down and prop up Farooq.

GEORGE FERNANDES
Minister in charge of Kashmir affairs in the V.P. Singh cabinet

"It was wrong to let Mufti Sayeed handle Kashmir. I did ask the prime minister to handle Home himself."

"Our permanent government—the bureaucracy—comes from the heartland, and they have misgivings about frontline states."

■

"By yielding to the pressure of Rubaiya's kidnappers, our government sent out the wrong signals."

Akbar: I don't understand the logic.

Puri: Let me elaborate. There is a very strong suspicion that the first communal trouble in Kashmir was started partly to weaken the Kashmiri identity, and create a wedge between the two brothers-in-law. The Sheikh family is a symbol of Kashmiri identity. The thinking in Delhi was that *Kashmiriat* is a threat to Indian identity, it should be weakened. Fundamentalism would help, so use the Jamaat or some sort of Muslim united front. A prominent person told me this.

Akbar: Why don't you name the person? For all you know tomorrow he may be the home minister supported by the BJP.

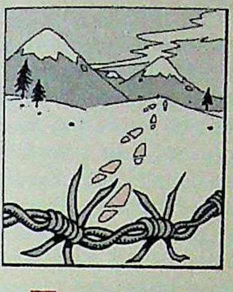
Puri: The person I quote is no less than former governor Jagmohan. He said: "I don't agree with your thesis of this Kashmiri identity. I think this needs to be demolished." I asked why. He said because as long as Kashmiri identity remains, India's identity will always be threatened. I argued that Kashmir had acceded to India to defend that identity. He said as long as Kashmiri identity is there, Pakistan and America would continue to exploit it. So we must demolish it. My final argument was that if you destroy Kashmiri identity what would you replace it with? Muslim identity?

Joshi: This policy must have got approval from the Central Government.

Dave: Knowing the Government of India fairly well, I would not necessarily say that what Jagmohan discussed with Balraj Puri was the Government of India's planned design. It may have been just Jagmohan on his own.

Joshi: But Jagmohan had written something in a letter to Rajiv about how he was being instructed by Mrs Gandhi. So it could be Mrs Gandhi and later on Rajiv. I don't think the governor of Kashmir would do anything without having a concurrence from the Government of India on such a sensitive matter.

Verghese: On the issue of these *mandirs* being demolished I would like to carry it further. Certainly there were episodes in 1986 but in '90-'91 there is another phenomenon: deliberate stories are spread that a number of *mandirs* and shrines in Srinagar, Baramulla, Anantnag, Sopore, have been demolished, desecrated. I have investigated this and said this is not true. When I say it is not true I am told that I am a liar. I am a pseudo-secularist. I am a Muslim appeaser.



TROUBLED PSYCHE

Rosha: The Kashmir issue has deliberately been sought to be communalised. I remember in March last year an MP said in Parliament that 250 temples have been desecrated. This was repeated from other forums and created a lot of anger in the Hindu mind. I asked Mufti Mohammed Sayeed and George Fernandes to clarify. But nothing was done till public-spirited people like George Verghese went there. There are many examples. One of our major parties said that the insult to the National Honour Act 1971 does not apply to Kashmir and this should be remedied. The fact is that the 1971 Act applies to Jammu and Kashmir also. We took up another issue with George and Mufti: why citizens of other parts of the country are not allowed to buy land in Kashmir and whether similar restrictions apply in other states like Himachal Pradesh. Now this has nothing to do with Article 370—Article 370 only says that the definition of a state subject cannot be unilaterally changed by the Government of India.

Saifuddin Choudhury: We have to respect the identity of various kinds of people. I am all for regional autonomy for Ladakh, for Jammu, for Kashmir, and then for Kashmir within the Indian Union, for West Bengal, for Tamil Nadu, for everybody. But how to protect the Kashmiri identity is the most important thing. If we are to really get Kashmir back to the secular fold, then in the rest of the country we should also put down the elements who are espousing communalism.

Joshi: It's not that one fine morning hundreds of people took up arms against India and raised the question of Kashmiri identity. There have been forces in Kashmir who have been working against us, there was a hate-India campaign. There was a terrific pro-Pakistani campaign, an independence campaign. Kashmir is not merely a problem between India and Pakistan or between Kashmiris and the rest of India. International forces wanted to keep Kashmir outside the pale of the great Indian dominion. Have they reconciled to the idea of India? No. Do the developments in Kashmir and Punjab have any relation to the Bangladesh experience? There is a thinking in Pakistan to teach us a lesson for Bangladesh. That psychology works.

Even in Assam, the problem is not purely local. The militants have received arms from outside the country. There have been training centres on the Burmese border. If you try to localise a problem as a Hindu-Muslim one, you are using it for political ends.

Choudhury: When we went to Jammu as a committee we met many young students who were demanding an increase in stipends. Some of them were Hindus and some Muslims. A Hindu student told us: "If you fail to convince Jagmohan that there has to be an increase in stipends we will also shout *Pakistan Zindabad* because that will give us more money."

Puri: Bangladesh had two effects. Vindication of culture-based identities and Pakistan's attempt to exploit the Kashmir issue. It has been doing that since 1947 but why did it succeed this time? You have no idea of the anger that existed in Kashmir in 1965. When the call for social boycott of Congressmen was given, none could enter any shop. If a Congressman died, nobody would bury him. There was complete alienation—it was much worse than what we had in '88-89. There was forced integration—the Government's nomenclature was changed—causing a flare-up in Kashmir. Pakistan had always played the Islamic card and failed. But in '88-89 the JKLF first came up with *Kashmiriat* and the response to that exceeded all expectations of Pakistan. Now they have reduced support for the JKLF and are propping Hizbul Mujahedin. So a reaction has now started against Pakistan. In the past few months there were, for the first time, spontaneous, genuine anti-Pakistan demonstrations. And in one clash a JKLF person died.

Verghese: It is being widely circulated that place names are being changed as a factor in Islamisation like Anantnag to Islamabad. I heard that security forces say *bas main koi ja raha hain, kaha ja raha hai—Islamabad? Thappad marte hain.* (Somebody's going by bus to Islamabad? They slap them.) Anyway, in the present

"Deal with Pakistan's arm-twisting, yes. But, why can't we have a confederation with Pakistan, as we did with Sikkim?"

■

"The present movement is led by people under 30 so it is irrelevant to talk about accession."

"The situation has now turned and offers hope. There is counter-alienation against militancy and Pakistan."

B.G. VERGHESE
Former editor,
The Hindustan Times* and *Indian Express

context, the movement is led by people under 30. There is a new generation; therefore, even to talk of accession is irrelevant. It's like talking of what Akbar and Shahjahan did—it's history. Something happened between '84 and '87—that was the turning point. People of the new generation are also looking at happenings in the rest of India—communalisation and the agitation about Article 370.

Joshi: This question of regional identity vis-a-vis national identity is a broader question which has been misinterpreted. They have been contrasted with each other, which is not right. Here the Government has failed right from 1947. Is there an Indian identity, and if yes, what is it?

Rosha: The repression by the Punjabi Pakistan military in Bangladesh caused a tremendous revulsion in Kashmir. A number of Plebiscite Front activists who were underground then and trying to get aid from Pakistan, were so disillusioned that they gave up the thought of continuing *jehad*. In the context of the recent happenings in POK, if we can show that the Indian polity offers dignity to the citizen, we can make headway.

Riaz Punjabi: It's amazing that the last time the Pakistani prime minister came over here, he could meet all the Indian leaders, even Advaniji. If we Kashmiris had an occasion to meet this man, we would ask him what you have done to us? Please answer us.

Now it's true that a new generation is in command of the militant movement. I have been interacting with such people for more than two decades, but am unaware who these fellows are. I remember in November '89 I was at Lal Chowk, Srinagar, when suddenly four persons appeared and started shouting which created a panic. One of them said Shabir Shah had been arrested. He was then the leader of JKLF which was a small group. People generally were not concerned. But by March '90 it appeared as if the whole population was involved.

What sustains militancy is the alienation of the masses. Throughout the Dogra rule two important taxes were levied on Kashmir—99 per cent of whose population was Muslim. A tax to raise money for the Maharaja's temple, and another for the repair of temples. Nobody protested. Even Sheikh Abdullah didn't make an issue out of this.

There was a cultural consciousness, not a religious consciousness. Even the anger over joblessness was not targeted at Hindus. When Jinnah Sahab came in May '44 to sort out differences between the old Muslim Conference and the National Conference, he had to face hostile crowds, shoes were hurled. He was called names when he said the only representative party according to 99 per cent of the Muslims he met was the Muslim Conference, led by a Jammu-based Punjabi-speaking leadership headed by Chaudhary Ghulam Abbas. He couldn't understand what the problems were.

There was no compulsion, either historical or geographical, for Kashmir to join India. But after it joined this federation, the issue is how we treat it. Kashmiri identity which was secular was slowly Islamised due to what was happening outside Kashmir and within.

Secondly, there are forces who would say that perhaps the Kashmiri identity means Muslim identity—this is not true. Thirdly, the Kashmiris were never integrated in national life. You always said: "*Bhai* what is this special status, finish with this." When you talked of diluting Article 370, we accepted it. It didn't make any difference to the Kashmiri except that he heard: "*Hamari dhons hai, hum tumko theek kar denge.*" (You are now under us, we'll get you.) Kashmir aligned with you on the promise of federalism, secularism, democracy. But you have none. Now when Farooq challenged the Congress(I), it partly satisfied the urge of the people. There he was aligned with all the opposition parties, attending opposition conclaves. But then came the accord. Rajiv Gandhi had announced that he would give the state Rs 1,000 crore. So the people said, okay, this is a sell-out but at least we'll have some economic benefit. But after three or four months poor Farooq realised: "Oh, no! Even if the prime minister of the country concedes the state needs special treatment, you cannot get it." If you are cut off from the rest of the country for eight months, if you don't have water or electricity when it is minus 14 degrees centigrade, we can't help it.

But the nation is being told, look how thousands of crores go to the Kashmiris. They don't know that technically you give us Rs 10 and then take away Rs 9. But you give an impression that this pampered lot is being given a lot of money. Then Farooq tried to solve the electricity problem. There was a hike in tariff. People, mostly youngsters, protested and came out on the streets. They were fired upon. By '89, there was a sense of siege. No employment, no cultural integra-

"Why doesn't anybody talk about Article 370 or plebiscite. Till 1957, we believed that plebiscite could be held at some stage. Now we don't even mention it."

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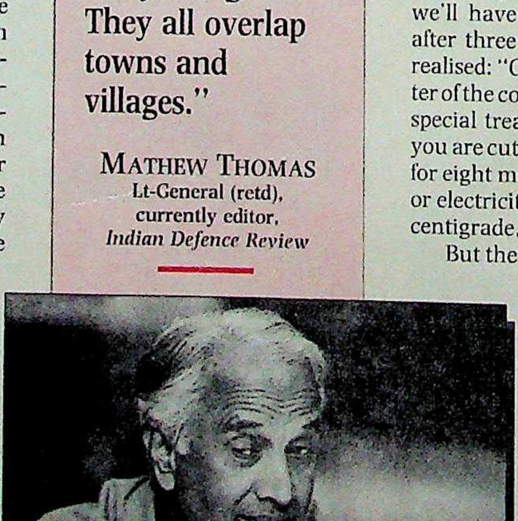
"The army has been functioning under restraint. Verghese's report will show the world we are not as bad as made out to be."

■

"There are no tangible terrorist camps which the army can get at. They all overlap towns and villages."

MATHEW THOMAS
Lt-General (retd),
currently editor,
Indian Defence Review



tion, no sense of security. But clearly, the pattern of militancy is the same as you can see in the documents of '65. It didn't work then for lack of people's support. It worked in 1990 because the entire population was alienated. Look at how the security forces are handling the problem. Unable to lay hands on any militant, they are laying hands on the common man. This is how a psyche is distorted. It's easy to say in Delhi *"ye badmash unka support kyon kar rahe hain?"* (Why are these rascals supporting the militants). But it's different when at midnight there's a knock and four people come with guns: "We want to stay in this house." *"Achcha sahab aayiye."* (Okay, come in.) Once they go, the security forces come: "So you had sheltered some people? Now we will get you." The militants' edict is if a man dies at the hands of the security forces he's a *shaheed*. And if they declare anybody to be a *gaddar* (traitor), then even his kin disown him.

Mathew Thomas: As far as the army is concerned, its perception is basically guided by the good of the country. The deterioration of the past two years is due not only to the lack of direction from the Centre to the administrators but also Pakistan's hand in communalisation. Now nobody is prepared anymore to discuss either Article 370 or plebiscite. Till 1957, we believed that plebiscite could be held at a stage when the people of Kashmir are genuinely happy with India. Now nobody, not even the media, wants to talk about it. It will take at least 10 years to bring Kashmir into the mainstream. As to why Pakistan is succeeding now, I think it is getting a little desperate because our army is very sure of itself on the border. We have been there since 1947, and we know most of the infiltration routes. It's very difficult for them but they have certain quotas—sending say 500 people within six months from a sector—so we have had these large gangs coming in. Some of them come in without weapons and some with weapons. The hardcore militants who are trained by the Afghan Mujahedin are being sent in without weapons. At present the number of militants in Kashmir would be between 3,000 and 5,000 and there are another 5,000 to 10,000 assisting them. But they are getting a very basic training as in '65, only a few more weapons like rocket launchers.

Punjabi: Yes, since '65 the plan (Operation Gibraltar) stands.

Joshi: But even in '65, the Government of India, the whole world knew about it. But what did we do from 1965 to 1990?

Rosha: It is evident that in '80 and '89 there was a perceptible weakening of the political will to fight those forces and it was reflected in the administration's actions also. The most blatant anti-national actions would go unnoticed. For instance, when in August '89 they gave a call for a black-out on Independence Day and boycott of the official function, half the seats in the parade, which all officials should attend, were vacant. All Farooq Abdullah said was he would call for an explanation. The Srinagar corporation itself switched off its lights that evening. And Yusuf Halwai, a prominent National Conference worker who kept his lights on, was shot dead in broad daylight. So we asked the Cabinet what steps have you taken to meet this outrage politically. The official response was: we will recite the *fatiha* for him and give his son Rs 1 lakh.

Again, during the parliamentary elections in Baramulla, the militants put a coffin in front of the polling booth, saying this is for the first man who casts his vote. But the administration did nothing.

Dave: But this is so for most of India.

Puri: But from 1947, an unstated policy of the Government has been that there should be only one party functioning in the state. When Ashok Mehta and I went to form a branch of the Praja Socialist Party (PSP), we were mercilessly beaten up. Evidence shows whenever there have been two political parties in Kashmir, the secessionist and communal forces have been marginalised. And we have also created a sort of virginity test of patriotism that a Kashmiri must not only be loyal to India, he must also be loyal to the Kashmir Government, the Central Government, the ruling party here, and in Kashmir.

Joshi: One reason for this state of affairs is that you didn't allow political assimilation of the people of Kashmir. It was exploited in Indian politics—sometimes it was projected as the only secular model in the country—and asked to remain in a ghetto. The rulers wanted to use it as a secular showpiece, not as part of the country.

Akbar: But Kashmir as a secular showpiece disappeared with the arrest of Sheikh Abdullah in 1953. After that it was governed more by the need to keep it as a piece of India rather than a showpiece. The reason why the Opposition in Kashmir was not allowed, never emerged, or could not grow, was because the Opposition consisted of the Plebiscite Front.

RIAZ PUNJABI

Kashmir University Professor and civil liberties activist

"If we Kashmiris had met Nawaz Sharif, we would have asked him what have you done to us."

■

"Kashmir came to India because it promised us federalism, secularism and democracy. But today you have nothing of that."

"The nation is being told that Kashmiris are a pampered lot, that crores are being spent on them. But you give us Rs 10 and take away Rs 9."

REVERSING THE SLIDE

Choudhury: The people of Kashmir remain secular. When we visited the Valley twice with Fernandes as the minister, we heard the people who anxiously waited to meet us, despite the curfew clamped by the militants. They said: "We are very unhappy as our Pandit brothers have left us." We asked them how would they come back if you could not create the situation where they would feel secure. Then one of them told us that his Hindu neighbour, on leaving, had kept his house key with him and his property was intact. People also told us that they were fed up as both the militants and the security forces harass them. Now a two-pronged approach is necessary. While presenting a human face to the people, among the militants too we have to distinguish between moderates and fundamentalists. While the JKLF has got the right beating, the Hizbul Mujahedin has not been combated by the Government. Now the situation has changed after the removal of Jagmohan. The month-long curfews are gone; people come forward to give information and the security forces are also succeeding in many ways. But were the situation to improve further, there would be desperate sabotage attempts from across the border.

Now, to put a check on the bureaucracy, there has to be an advisory committee at the state and district levels comprising party nominees. Then people's representatives have to be taken for developmental work. But in the rest of the country too we have to behave in the right manner. If we allow a Bhagalpur or a Maliana to occur again, then reassuring people in Kashmir becomes very difficult. In a changed international situation, the kind of support Pakistan used to get is not there. And even in POK, people do not want to suffer the age-old suffocation. They will be looking to our part of Kashmir to check out what India can provide. There are parties, organisations, and a Constitution here.

Rosha: But after your committee was wound up last year, what prevented you and George from going to Kashmir?

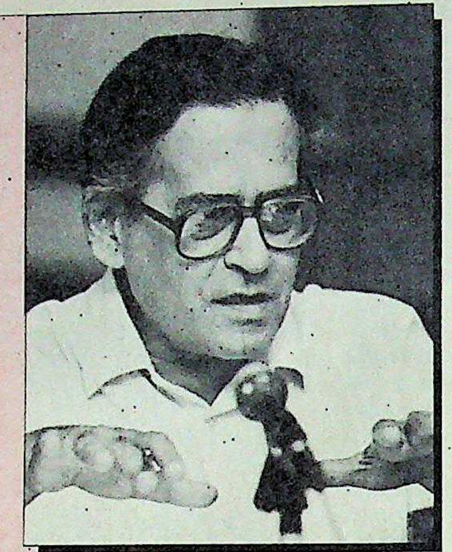
Choudhury: Maybe we should have gone. We cannot possibly defend what we could not do.

Punjabi: The people who are the backbone of this ongoing movement are the youth, chunks of whom for the past 20 years have been fed on plebiscite. They were not accommodated by the National Conference so they tried to go to the Congress but ended up with some splinter groups. Then there were enough policemen to teach them a lesson during elections. That was how at the domestic level these youths got alienated. Many of them went abroad. It became very easy to dub them as pro-Pakistan and harass them by putting them in police stations. But some youth leaders who are important militant leaders now have issued statements that they want to join the mainstream and concentrate on socio-economic issues provided the police don't harass them. But they were harassed. The policy for the past 25 years continues: if you are a Kashmiri, you're a Muslim, you're pro-Pakistan and you have to be dealt with accordingly.

Akbar: I would divide the whole issue into four broad categories, historical-geographical, ideological, political and administrative. The solution cannot be outside our own ideological framework. As for the political aspect, as long as the anger of Kashmiris is targeted towards the governments of India and Kashmir and not towards either the people of India or the idea of India, we still have a chance.

It is the administrative handling of the situation that is causing the maximum damage. Core groups have to be identified within the militant spectrum. You can't burn Kashmir and save it too for India. You kill Kashmiris, you kill the idea of India. The core group which deserves hard punishment is the one that is ideologically committed to the destruction of secularism in India. Those people first banded themselves under the Jamaat, the most prominent among such groups in the past 35-40 years. Sheikh Sahab, even when he was fighting against the Central Government, never did anything against the idea of Indian secularism. While the Jamaat will use any method, instrument and institution to further the creation of a theocratic state.

The Congress(I) must be held responsible for its attempts in 1971-72 to legitimise



P.K. DAVE
Former chief secretary J&K Government, held senior positions in Ministry of Home Affairs.

"Over the years, there has been an Islamisation. Money has come in, education has become religious."

■

"The bureaucracy has exercised far more influence on policy than ministries, which are lasting shorter periods."

■

"The method of rigging has changed over the years. But as chief secretary, I was isolated from it."

the Jamaat and destroy the National Conference. But what followed the Congress(I) was not any different. Only the carrot offered by the Janata Dal to the extremists among the Muslims grew larger and the stick for appeasing the BJP-Jagmohan longer. What we should remember is that the war is not between the armed forces. It is a war between the people who are in charge of policies. And the people in charge of the Kashmir policy in Pakistan are far more important than the government there. We were under some illusions that the budding friendship between Rajiv Gandhi and Benazir Bhutto would provide some magic solution. Even if Nawaz Sharif tries to do something, he will not last.

The real battle is which idea shall rule the subcontinent? For the theocrats, it is an India divided along communal lines. All people who divide geography around such lines create prisons and declare themselves as pure—Pakistan, Khalistan. The purity of a single community is made the new ideal against the ideology of brotherhood. The Congress(I) too flirted with theocracy as with the Jamaat. But what was limited to the destruction of Kashmir is becoming the national policy of a political party: the BJP. And the most obvious false issue is Article 370. Any party which believes that Article 370 can be removed is a victim of historical illiteracy, because if you remove it, Kashmir automatically leaves India and you will need another constituent assembly to get Kashmir back which is exactly what the militants want. Then take this rather silly idea of creating a *cordon sanitaire* both around Kashmir and Punjab. Sounds good, sounds macho. But the way to tackle Pakistan is not to create a sanitary or an insanitary cordon. You tackle Pakistan by having the strength of arms and mind. The only way out of this problem is to reinforce the idea of *Kashmiriat*, which has to be seen as a part of *Hindustaniat*.

Rosha: As far as the law and order question is concerned, I feel the attitude of the paramilitary forces that every Kashmiri Muslim is an anti-national, an alien, has been a problem. A corollary to this has been the unfortunate distrust of the Kashmiri bureaucracy and, what hurts me especially, the Jammu & Kashmir Police. I would categorically say that the police here are as loyal as any other force in the country. Of course, there will be black sheep.

And the paramilitary forces, of course, are performing a very difficult task in difficult circumstances but having said that it is very disappointing that there has been no consistent effort to restore the due processes of law. Till this is done, there can be no accountability. A lot of harm is being caused by the humiliation in the day-to-day attitudes—when you search a bus, the way you talk to them, the way you go into houses with the presumption that they are all Pakistanis. What we can do is to give a civil face to the administration, where the law and order functions are again entrusted to the commissioners and deputy commissioners. Right now the bullet seems to be the only answer to every infraction of law.

As for the depopulated zone, very few people know that this was tried in Kashmir after the '65 infiltration. There was a 5-km belt in the districts of Rajouri and Poonch which involved 24 villages. But as one of our finest officers P.S. Bhagat said, this was like admitting defeat before you even fight. It was then resettled in 1974. Now the legal armoury given to Kashmir is much heavier than given to any other state. We have the Enemy Agents Act, the TADA, the Disturbed Areas Act, the Armed Forces Special Act, the J&K Public Safety Act. But to say that because the militants are outside the law, the response too must be outside the law is not valid.

Verghese: The situation has now turned and offers hope. We should focus on the future rather than the past. And Pakistan is a factor in any solution. No prime minister in Pakistan can wash his hands off Kashmir, as can no prime minister of India. We have to seek a partnership with Pakistan in settling this. Jawaharlal Nehru used to say that Kashmir is not the cause of the Indo-Pakistan problem—it is the consequence. But like the dog chasing its tail, it's both the cause and the consequence.

In the new mood in Kashmir, there is a counter-alienation of two kinds, against militancy and against Pakistan. The euphoria of *azadi* being round the corner has disappeared. The mood is still not, by any means, pro-India. But the character of militancy has changed: there is a division between the more secular, democratic JKLF and the Hizbul, Jamaat and other pro-Pakistani groups. A number of militants are surrendering or have been arrested. And they seem to have been reluctant warriors. They want an exit but they are afraid of the security forces as well as their militant colleagues. We have to put before the people an alternative vision of *azadi*, which is realisable and fits local, subnational, regional, national and interna-

"Jagmohan, then governor, told me that if Kashmiri identity was not demolished, India's identity would be threatened."

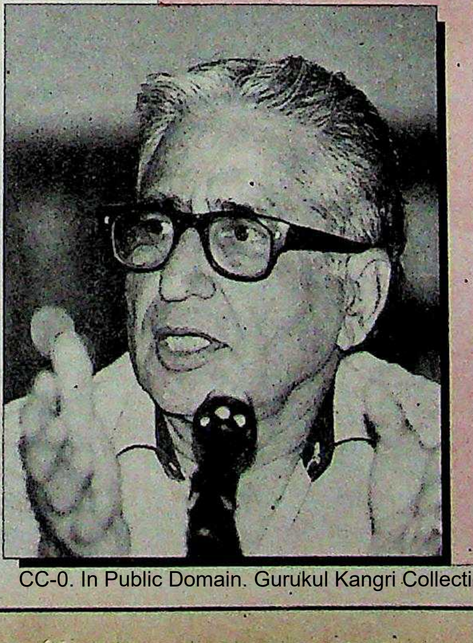
■

"We have a sort of virginity test of patriotism for the Kashmiri: he must be loyal to the governments of both India and J&K."

■

"Do anti-India slogans deserve punishment like shooting to death?"

BALRAJ PURI
Social and political activist,
Director of the Jammu-based
Institute of J&K Affairs.



tional elements. We need to release many of those arrested, declare amnesty, as in Nagaland and Mizoram. To move from the law and order approach to the political approach and not think in sequential terms. People must see where we are heading.

We should also promise elections before the commencement of winter, or early spring or early summer. Then grant devolution to Jammu, Ladakh, Kashmir on the Indian side as well as greater autonomy to Kashmir as a whole. To Pakistan, promise a soft boundary across the frontier which we will treat as an international border. As part of our deal we should make an announcement that Pakistan do likewise. Then say we are prepared to enter into a confederation with them, as we did for six or eight months in 1974, in the case of Sikkim. Say that for certain purposes, there will be a greater Kashmir. Rationalise the line of control—demilitarise the area and allow free movement.

Fernandes: We have reached a point from where it's not going to be easy to bring back Kashmir to the political mainstream. George Verghese has just returned from there but I'm not sure that his optimism is justified. Instead of sorting out matters, we have exacerbated them in the past three years. We never had a policy—the only policy was that Delhi knows best. In our case also, even if the Government did not take such a position, the Home Ministry certainly took a view that it had the last word. Even when I was handling Kashmir affairs I was under tremendous pressure not to go there.

Akbar: By the party?

Fernandes: By a section of the Government. A number of my visits were cancelled. There were occasions when I had to defy those who felt I should not go there.

Akbar: That means Mufti destroyed the Kashmir policy of two governments.

Fernandes: No, I don't think I got destroyed. But he certainly had a strong will. In my view it was wrong to let him handle Kashmir. I did tell my prime minister that Panditji handled Kashmir when Sardar Patel requested him in writing to do so. I said that with all respect to the home minister and his capabilities, I think it would be ideal if you were to handle Kashmir. But that was not acceptable.

Akbar: Which is the body in the Home Ministry which prevails no matter which government comes?

Fernandes: But you have that kind of lobby not merely with regard to Kashmir, but also the North-east. How powerful it is I can't say because I had no access to the inner working of the Home Ministry.

Akbar: But what is the policy of this superpower which survives government after government?

Fernandes: Well, somehow the heartland of the country has a lot of misgivings about the people of the frontline areas. And invariably your permanent government—the bureaucracy—comes from the heartland. And it is they who make the policy. And I don't think it can change. We talk of coteries but that's the closest to a coterie you can get.

Dave: I was part of the Home Ministry for eight years. What Fernandes is really saying is that there is a continuity of policy among the bureaucracy and as ministries get weaker and last shorter periods, they can't influence that policy. I have experience of working with Panditji, Shastriji, Chavan, three good home ministers, and they had no hesitation in intervening effectively.

Verghese: But I say thank God for the bureaucracy, otherwise this country would have disintegrated. It is a failure of political leadership.

Fernandes: But the strategy pursued in dealing with the insurgents over the past two years is not on. I told the Kashmiri insurgents that if you come with an AK-47, then you will face an AK-47 or maybe a superior weapon because the Indian state is powerful enough. Now about Pakistan, the Indian psyche has not reconciled to its existence. This prevents us from seriously discussing issues with Pakistan. It's the same kind of attitude which some people in the country have towards a party like BJP. A dialogue with Pakistan is necessary just as much as one with the insurgents.

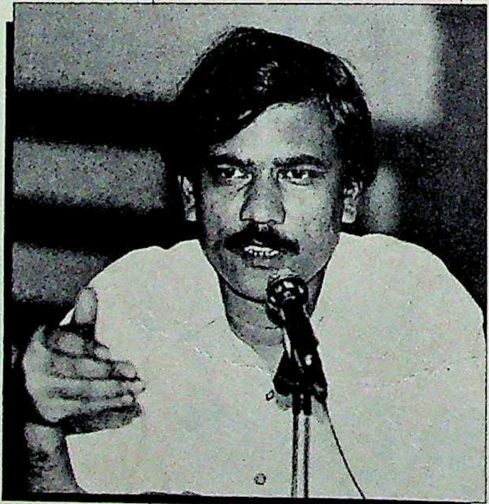
I think it's time the confederation idea was revived. Remember, just before his death, Panditji had sent Sheikh Abdullah to Pakistan, and one of his briefs was to discuss this idea. Sheikh saw in it the possibility of a united Kashmir being part of it—as a third member. This is the most concrete proposal you can make today to the Pakistani leadership. Let us make a formal proposal that India, Pakistan, and if possible Bangladesh, confederate and Kashmir becomes part of it. Ladakh and Jammu could also be a part of it.

I don't know what else will work because now in Kashmir there are about 120 groups organised in some form or the other using weapons to settle their

"I fully support regional autonomy for Ladakh, J&K, for West Bengal, for everybody."

■

"Today there is a chance of winning back the people's faith. But if we allow a Maliana or Bhagalpur to occur elsewhere, then reassuring Kashmiris will be difficult."



"A Kashmiri Hindu said that he too would shout *Pakistan Zindabad* for the money."

SAIFUDDIN CHOUDHURY
CPI(M) MP and member of the Parliamentary Committee on Kashmir

business. Talking to one doesn't help and getting all of them together cannot be done in hurry. This is not to say that efforts should not be made. Then there is media management by the Indian establishment. I would also like Kashmir to be opened up further to human rights organisations. I happen to be the very first member of Amnesty International from this country—when I was declared a Chinese agent in 1963 and jailed, it was Amnesty which bailed me out. But when I was arrested in 1976, they refused to touch me with even a pair of tongs because they said I had used dynamite. Just refusing entry to Amnesty has created a lot of problems for us. I think there is no harm in allowing human rights organisations to enter if you can accept all IMF conditions. Especially if you can allow Israeli tourists to spend their holidays in Kashmir and allow people from all over the world to go skiing amidst this unrest. And whatever rapport you have with insurgents now is thanks to those who are speaking up for them. And that is the kind of rapport I too tried to establish.

Akbar: How would you stop a hundred other demands for similar status in that great confederation, with or without Pakistan?

Fernandes: My point is that you have a country where you talk federal but act unitary. You need to go in for decentralisation of political and economic power. All these huge, unmanageable and ungovernable states are not on. May be 100 states, with all powers except defence, foreign affairs, communications and wider fiscal policies which stay with the Centre. After all, what is wrong with the Anandpur Sahib resolution? It talks about decentralisation, fair wages to farmers and jobs.

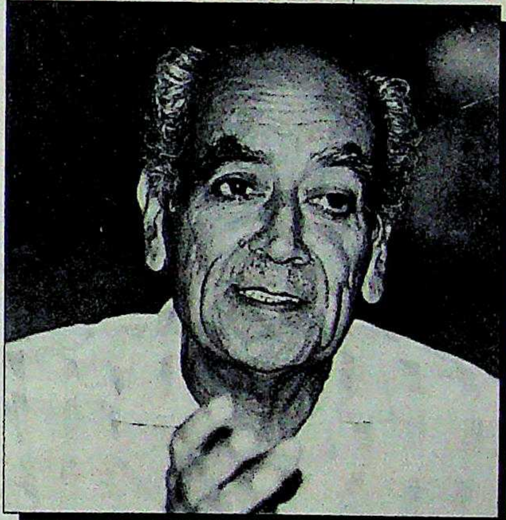
Thomas: I don't think the *cordon sanitaire* is a feasible proposition because large borders cannot be cordoned off. The camps that we keep talking about in which terrorists are being trained in Pakistan are actually overlapping towns and villages. There is no tangible terrorist camp which you can really get at. We tried this in Burma (Myanmar) during the insurgencies in the North-east, in the Rangamati area and the Chittagong hill tracts—both times we were unsuccessful. I think it would be counter-productive.

War with Pakistan is also not going to help. The great powers are not going to allow us to fight a war which we can bring to any kind of a successful conclusion. We don't have the economic ability to sustain a war for long and it would be foolish on our part to go to war. But we can divide responsibilities between the army and paramilitary forces. The army has to take care of exfiltration, infiltration at the border. It generally does not like to come into the cities because it is not really trained for mob control: it doesn't have water cannons, rubber bullets. Also there is a total lack of information coming in from civil sources, either from the IB or RAW. Today the army is working under considerable restraint. And here I would officially like to thank George Verghese and his team, who have tabled an excellent document—exonerating the army of committing excesses. Right now, the army has a supportive role but if the situation escalates, we may accept the fact that some type of retaliation will take place.

P.A. ROSHA

Director of National Police Academy; former director-general of security, J&K

"Delhi believed that it is okay to give Kashmiris the form but not the substance of democracy."



"In '88-89 there was a weakening of the political will to fight militancy. The most blatant anti-national actions went unnoticed."

■

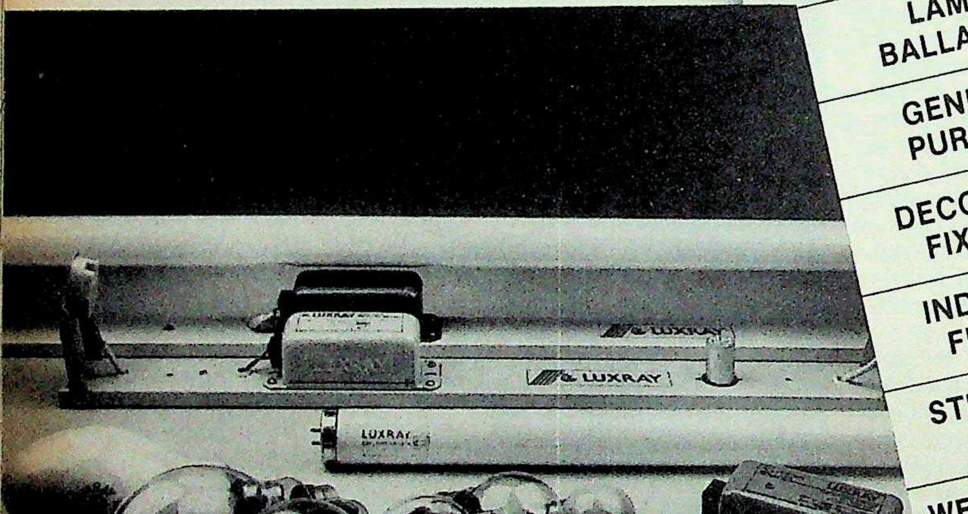
"The Government is vague on issues like Article 370 and the restriction on buying land in Kashmir, which create anger in the Hindu mind."

Punjabi: In combating the insurgency they have eliminated large chunks of the population in the past two years. But we don't get to know of even a quarter of it through human rights reports. The BSF, CRPF and maybe the army are different. But everyday there are humiliations, tortures, picking up of innocent people. You are emotionally losing everyday in Kashmir. And if you keep maligning human rights organisations, there will be no channel of communication left.

Puri: By now the degree of annihilation of Kashmir is almost total. And the gulf between India and Pakistan is much wider. There is no longing in the POK and our part of Kashmir for any unity. The two are linguistically, culturally and ethnically so distinct. But the way we are dealing with the crisis, no non-terrorist channel of anger and discontent remains. Do anti-India slogans deserve punishment like shooting to death? I remember I was in Anantnag when a *baraat* was attacked by some army men, some people were killed and the bride was gang-raped.

Verghese: Not the army.

Puri: Army, army, army, army! I challenge you to prove what you say. The incident was completely blanked out by the national press. But I happened to be in London, and the papers there were full of details of the incident. So if the human rights organisations cease functioning here it will not help in any way. There is a wide scope for a dialogue with human rights groups. And you also need a dialogue between Kashmiri Pandits and Kashmiri Muslims, between Kashmiri Muslims and Jammu people.



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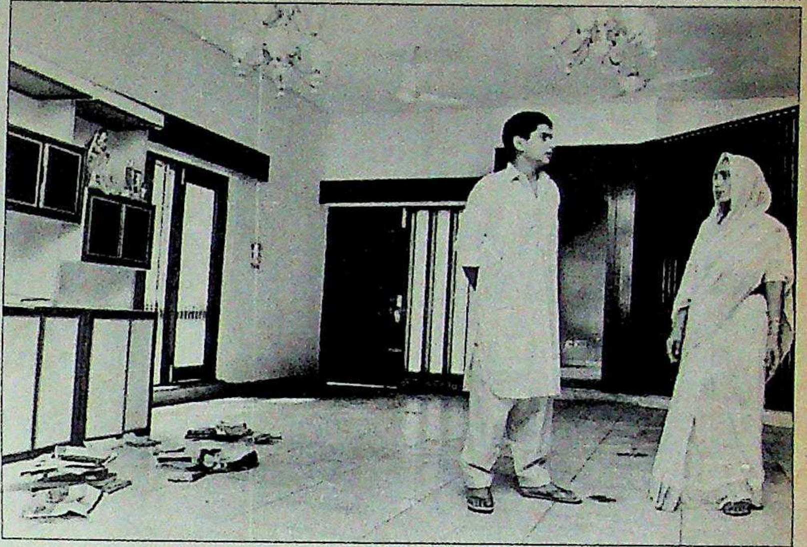
NOIDA AND GHAZIABAD

Hoodlums' Haven

Police crack down as mafia run amuck

Times of India/T.N. NARAYAN



Yadav's family members in their palatial house: under fire

WHEN the police last fortnight attached the palatial Ghaziabad house of Dharam Pal Yadav, minister for gram panchayat in the ousted Mulayam Singh ministry, pending his arrest, the news was not that it happened but that it could happen. A godfather of sorts, he was long considered above the law.

Yadav was wanted in a kidnapping case by the Bulandshahr police. Ghaziabad residents could only gasp in disbelief as nine truckloads of household goods from his house were impounded on court orders to force his surrender. Yadav's son, Vikas, was also picked up on murder charges. Said Shailja Kant Mishra, the new district police chief: "Just wait and see, even the godfathers will not be spared."

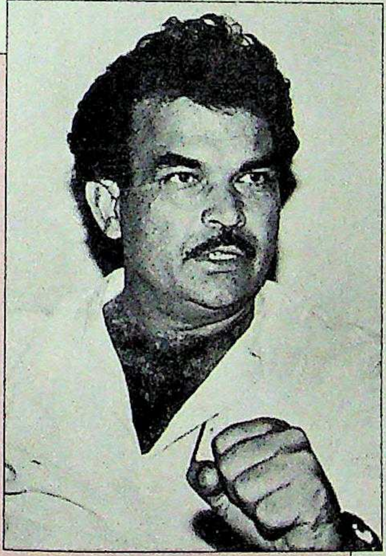
Even though now out of power, Yadav demonstrated he is still not entirely without clout. The very next day his lawyers got his son released and succeeded in reversing the court order on his property. But this time the police went in appeal. The Yadav drama didn't end there. In a packed Ghaziabad court, his lawyer assaulted the presiding judge.

The parody of justice has only highlighted a classic confrontation, between alleged criminals with political clout and a police force under tremendous pressure to crack down on runaway lawlessness. Mishra's Ghaziabad posting in July was a signal. A high-profile officer, he had an earlier battle with Yadav just before the elections. At Bulandshahr, Yadav's constituency, Mishra had refused to favour the minister and got shunted to Lucknow. But for now, the don-turned-politician looks shorn of his invincibility.

About time too. Increasingly, criminal gangs in Ghaziabad and NOIDA, the two western Uttar Pradesh towns, have been perpetrating abductions and extortions, mainly targeting businessmen. Patronised by politicians with shady backgrounds, they've been carrying on with impunity while the police looked the other way.

Last month they even thumbed their nose at the new BJP Government. Within days of the police arresting scores of known offenders, the counter-attack came. The gangs took six hostages in a swoop in Meerut, headquarters of the police range under which Ghaziabad district falls. Predictably, the business community in NOIDA and

Photographs by SHARAD SAXENA



DHARAM PAL YADAV,
former panchayati raj minister, UP.

Listed as a hardened criminal in police records, he became a godfather of sorts and was long considered above the law. Now absconding, wanted by the police for a kidnapping.

S.K. MISHRA,
Sr Superintendent of Police, Ghaziabad.

"Just wait and see, even the godfathers will not be spared."

A high-profile officer who earlier confronted Yadav when he was a minister.

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LINTAS (DELHI)/L

Ghaziabad, living in mortal fear of the mafia, has remained sceptical of the clean-up drive. Says Ramesh Sachdeva, who runs a building hardware unit in the NOIDA Export Processing Zone (NEPZ): "We are convinced that criminals get police protection." Obviously, June's sensational kidnapping case is fresh in people's memory: Sanjiv Gupta and Krishan Goenka, managing director and director of Yuil Measure India Ltd, were whisked away in broad daylight on the highway near NEPZ. Both were released three days later but none of the culprits could be brought to book.

Clearly, the gangsters find it easy to make money by abducting businessmen. And the two towns come as a handy grazing ground. The '80s had seen the rapid industrialisation of NOIDA and a real estate boom in Ghaziabad. The result has been a massive inflow of money that has fed a complex nexus of business, crime and politics.

Moreover, when entrepreneurs arrived, they kept local dadas in their pay to avoid labour trouble. Says S. Mukherjee, vice-president of the NOIDA Phase-II Industrial Association: "Everybody is paying for their mistakes."

The hoodlums in turn were thick with local politicians who ensured that the police did not give them trouble. Admitted a former DIG of the Meerut range: "We were hamstrung by officers posted with the express purpose of helping the criminals."

An arch-don to emerge early was Jagmal Singh who even became chairman of the Town Area Committee of Loni on the Delhi border. After his death in internecine gang warfare last year, his lieutenants *(see box)* fell out and started independent operations in Ghaziabad, Bulandshahr and Muzaffarnagar districts. Also active have been the much-splintered gangs of the Tyagi clan. The brigands find easy recruits in the rural folk who have suffered because of industrialisation.

HARI OM GOYAL, a brick kiln operator from Bulandshahr, was one of the lucky ones whom the police rescued on July 24, four days after he was abducted. In the resulting encounter two gangsters were killed.

Some of them have been allegedly protected by Yadav who denies any involvement. But the police are not buying his claims of innocence. His record in the Kavi Nagar police station of Ghaziabad mentions nearly 20 offences including murder.

During his term as minister, the incidents of abductions had almost doubled. Officers estimate only about half the cases are reported. Most of the cases have been 're-solved' and though the police deny knowledge of any ransom paid, amounts of Rs 25 lakh or more changed hands. The gangs are also into extortion, illicit liquor trade, gun running, land grabs and arbitrating local disputes.

Though the common man has not been directly affected so far, there has been one serious fall-out. With massive amounts of money at their disposal, the gangs have imported sophisticated arms—AK-47s and even their later versions—from Punjab and Kashmir. Consequently, their trouble-making potential has multiplied. Gangland shoot-outs have become a common feature. The police say nearly a hundred persons have died either in internecine fights or in encounters with them in the last couple of years.

In combating this arsenal, the police are grossly under-equipped. They still use the outdated .303 rifles and a few Sten guns. Being virtually part of the capital, Ghaziabad and NOIDA have similar law and order problems but the quality of policing here is abysmal.

To build public confidence, the state Government has taken some drastic steps. Bulandshahr, Muzaffarnagar, Meerut, and of course Ghaziabad police chiefs were changed recently. Persistent raids on their hideouts have kept gangsters on the run.

Last fortnight, the Ghaziabad police busted a gang headed by Brahmdutt Gaur, a local politician-hoodlum who twice ran for assembly from Dadri constituency. Information from him led to the freeing of the abducted brick kiln owner Hari Om Goyal. In the resulting encounter two notorious gangsters Mehar Singh and Mahipal Singh were killed. The police claim Mahipal was also involved in the Gupta-Goenka abduction. The pressure seems to have pushed the gangs across the border. The police in the capital suspected the involvement of Uttar Pradesh and Haryana-based gangs in the abduction of Delhi rice exporter Jugal Kishor Arora.

But Yadav's has become a real test case for the police. With him joining the battle in right earnest, it is a question of whose nerves last. Mishra insists all wanted criminals will eventually be booked. But it will take more than just brave words to make a sceptical public believe him.

—ALOK TIWARI

REIGN OF TERROR

Reported abductions for ransom in Ghaziabad district: 1989: 10; 1990: 12; 1991: 11 (up to June 30)

Major gangs in Ghaziabad-NOIDA towns led by:

Mahendra Singh Fauji: Involved in several kidnapping cases. Heads gang operating in entire western Uttar Pradesh.

Madan Bhaiyya: Ran for assembly from Khekra in Meerut district. Various cases registered in Loni police station.

Satbir: Main accused in the murder of gangster Rashid Ali in August last. Heads an inter-state gang with Delhi operations.

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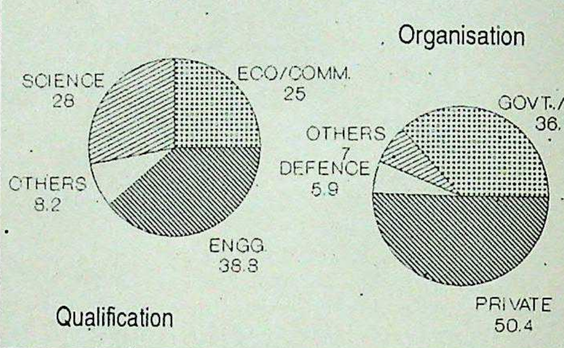

ADMISSION TEST

On Sunday, November 24, 1991 at 1430 Hrs. (2.30 hrs. duration).

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ELECTRONIC MAIL

The On-line Express

The world is now at your fingertips. Punch a message into your computer terminal, send it to any part of the globe and get a reply in a few seconds.

By SUSAN WOJCICKI

THE development has to do with effort, or more precisely, the lack of it. Sitting before his computer in New Delhi, Ashish Mukherjee, manager, business development with AT&T in India, suggests an ad hoc meeting for the US telecommunication behemoth's managers in the Asia Pacific region. The message, typed into his computer at the beginning of the day, goes out to 120 people in almost 50 countries in a matter of seconds. By the time he's ready to go home, the responses have all come in. "If I tried to do it by fax," says Mukherjee, "it could take me more than two days."

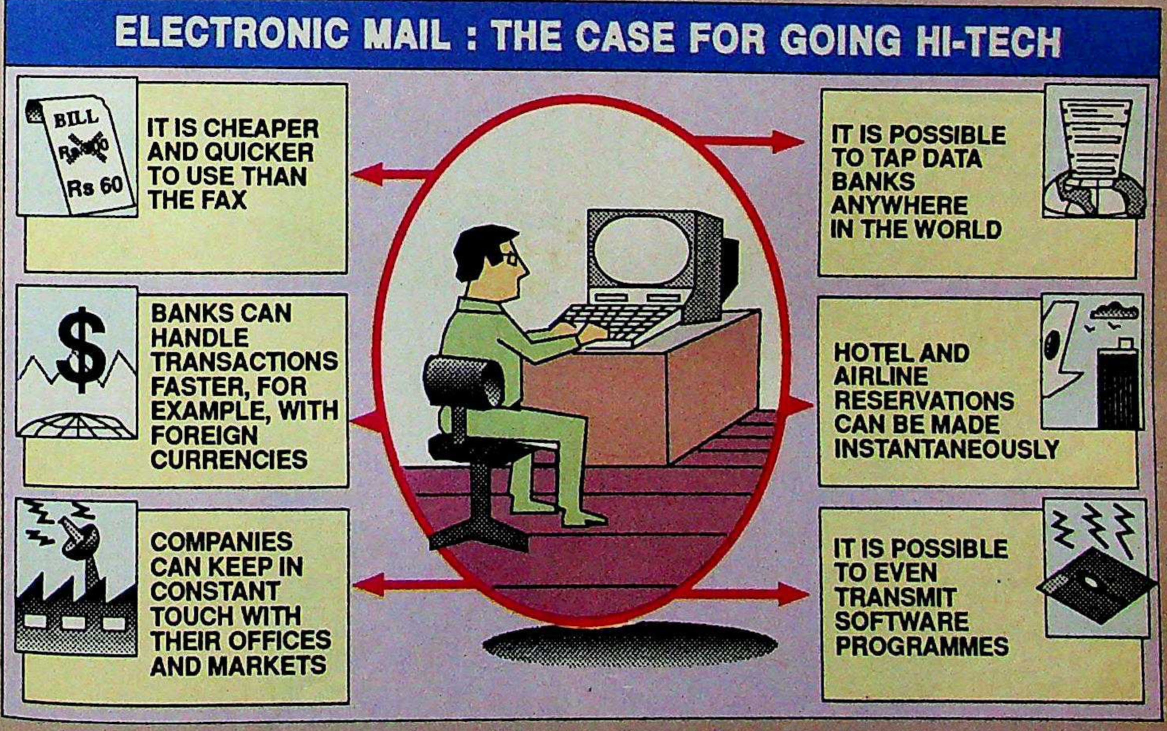
Deepak Puri, bureau manager with Time-Life News Service in Delhi, couldn't agree more. For him, the headache of arranging articles from India to the *Time* magazine office in New York is over. No more battles with India's inefficient telex systems or the facsimile, which is quicker, but not quick enough for his organisation. All he does now is punch a few keys, and an article, already written on a computer terminal, is sent right away to *Time*'s computers in the US.

At the Access Worldwide office, Gita Sharma, the assistant manager of the international hotel reservations network in India, handles bookings for over 3,000 hotels around the globe. Merely by typing in the request and a couple of commands on the computer keyboard. "It takes just three seconds to do the booking," says Sharma. At the computer company HCL Limited, Chairman Shiv Nadar uses his computer to keep in touch with his offices countrywide. "It has cut down on paperwork and speeded up communication," says Nadar.

Mukherjee, Puri, Sharma and Nadar are all converts to the latest in Indian communications—electronic mail. The technology has come into its own in India a decade after the West adopted it, but e-mail, as it is called by the industry and its users, is well on its way to changing the way Indian communication works. Organisations in India are realising that state of the art technology is not mere gimmickry, but a sure-fire way of saving time and, therefore, money. Whether it is saved in passing messages within an office or

Chart by B.K. SHARMA

ELECTRONIC MAIL : THE CASE FOR GOING HI-TECH



IT IS CHEAPER AND QUICKER TO USE THAN THE FAX

BANKS CAN HANDLE TRANSACTIONS FASTER, FOR EXAMPLE, WITH FOREIGN CURRENCIES

COMPANIES CAN KEEP IN CONSTANT TOUCH WITH THEIR OFFICES AND MARKETS

IT IS POSSIBLE TO TAP DATA BANKS ANYWHERE IN THE WORLD

HOTEL AND AIRLINE RESERVATIONS CAN BE MADE INSTANTANEOUSLY

IT IS POSSIBLE TO EVEN TRANSMIT SOFTWARE PROGRAMMES

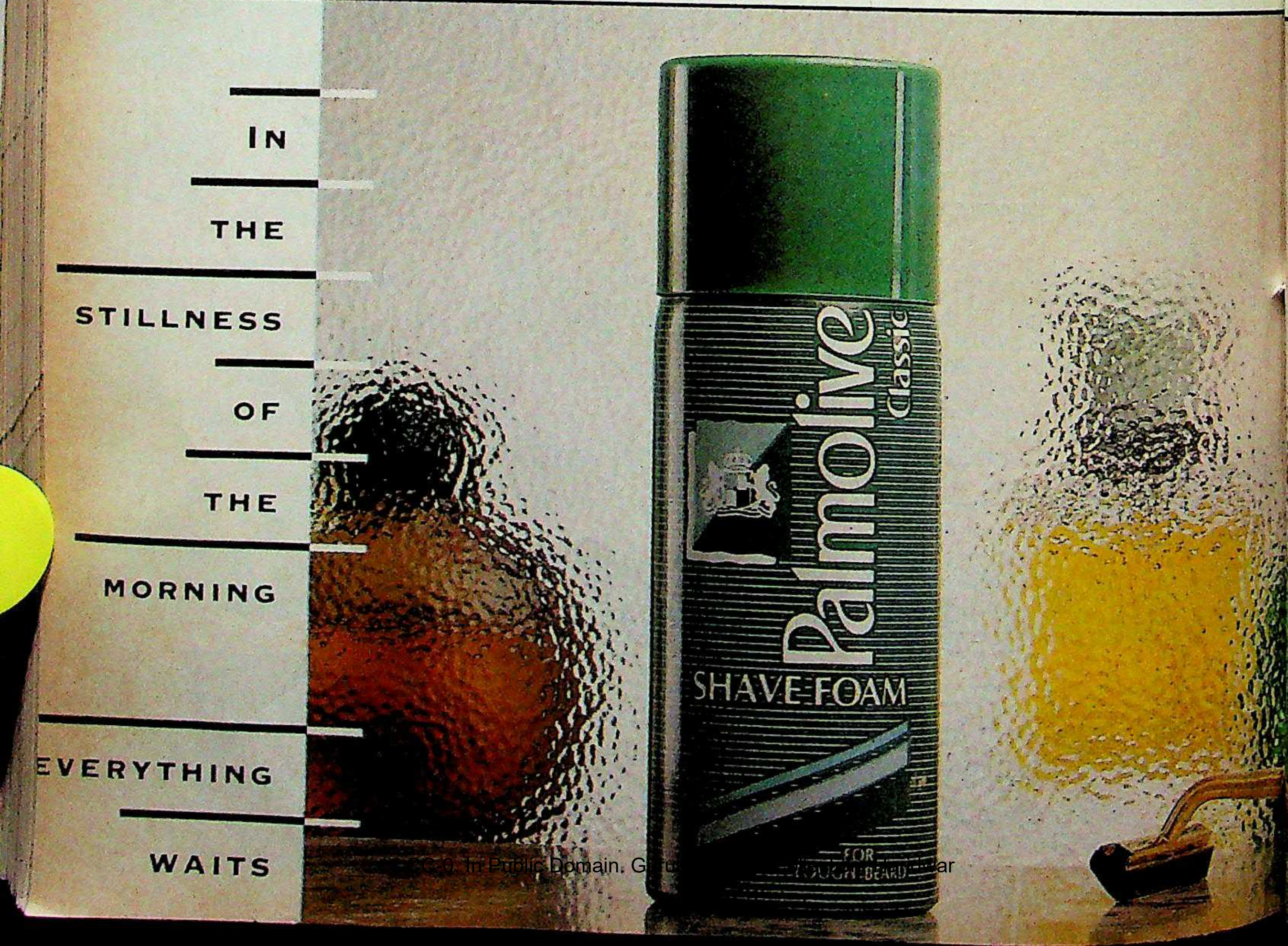
Bypassing the postal, telex and facsimile systems, e-mail is changing the way organisations in India think, realising that state of the art technology is not mere gimmickry, but a sure-fire way of saving time and therefore, money.

"With e-mail, it takes just three seconds to confirm an international hotel booking."
GITA SHARMA, *Assistant Manager, Access Worldwide*

to another on the other side of the globe. According to Digital Equipment India Limited (DEIL), one of the largest e-mail users in the country, the cost benefits are impressive. For instance, the cost of using a fax for five minutes to send documents abroad—anything up to 10 pages—is about Rs 300, while the same matter sent through e-mail would cost about Rs 60, in under a minute.

To use e-mail, one has to be part of a network, a computer system linked by satellite which transmits information from one computer terminal to another. These networks can either be private—AT&T, Citibank NA, Texas Instruments, Hewlett Packard and Bank of America use their own international networks to communicate from India—or public. The country's public networks, run by the Videsh Sanchar Nigam (VSN), the National Informatics Centre (NIC), and CMC Limited, are open to subscribers. For example, CMC's INDONET system has over a hundred subscribers, including HCL, Bata India Limited, Titan Watches, ACC Limited and the Welcomgroup chain of hotels. Even the Dalai Lama uses e-mail, and for the Lok Sabha elections this year, the Election Commission used the facility—NIC's NICNET—to collect data from centres in major Indian cities. VSN's network, which offers links abroad, has a subscriber list of 400 companies, which VSN Director V. Babuji estimates will increase to 10,000 in the next five years.

To get into a network, a subscriber needs a personal computer, a modem—which takes the information from the computer's memory and channels it into a telephone line to be picked up by another modem at the receiving end—and a subscription fee. INDONET, for instance, charges a minimum fee of Rs 5,000 a month to its subscribers. The network provides the necessary software or computer programme, an electronic 'mailbox' where the subscriber can receive messages, as well as a hotline for help. The subscriber has to merely call up the programme in his computer, type in an indentification code, and write the message. Then, he switches on the modem, and dials the number of the local computer linked to the network. After specifying where the message has to go, the user presses a key, kicking off



the delivery process. Then, computers—and the network—take over. The person at the other end just follows the dialling procedure, checks his mailbox and if there is something, accesses it with the software and stores it in his personal computer.

The advantages of e-mail are vast. As opposed to the telex or the fax machine, which can only accommodate the written word, it is possible to send even computer programmes through e-mail. Besides, bulk is eliminated; publishers, for example, can receive or send entire manuscripts with e-mail by using just a floppy disk or two. Also, messages can be sent anytime without a fear that it will get misplaced at the user's end, as it sits in the mailbox. And access to the systems is immediate and round the clock. Says S. Ramakrishnan, director of ERNET, an e-mail network used by 40 universities and institutions around India to access information banks abroad: "There's no busy signal in electronic mail."

BHAWAN SINGH

"It has cut down on paperwork considerably and thus speeded up communication processes."

SHIV NADAR, *Chairman, HCL*

But India is still to catch up with the rest of the world where networking is the norm. NIC made the beginning in the mid-1980s by developing an e-mail system—the NICNET—for in-house use, and later, it became the Government's unofficial e-mail network. CMC's INDONET is a breakthrough in public networks, the ERNET is what India's academic community could only have dreamt of five years ago, and VSN's link provides the country with a connection to the world. But the flip side is that Indians haven't yet fully understood the benefits of e-mail to business, and in a work culture of filling up countless forms, a paperless system may very well seem like an anachronism.

This attitude is being whittled away through education, done largely by the marketing arms of existing networks and in turn, by companies which use it and have to educate their workers to the benefits of e-mail. As a result, today, many companies wouldn't opt for any other way. "The e-mail system wasn't used much initially," says Bhasker Pramanik, vice-president, DEIL. "Now if the network system is down, employees find it difficult to accomplish their work." If this e-mail bug spreads, and the networks can cope with the growth, then India is in for a communications revolution.

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RELYING ON MERGERS?

EVEN as all eyes are directed at the second and probable 'take-over' of Larsen & Toubro (L&T) by Dhirubhai Ambani, Reliance Industries Limited (RIL) insiders say other moves are being considered. Apparently, the bean counters at RIL are trying to figure out the intricacies of merging the struggling Reliance Petrochemicals Limited (RPL) with RIL. The move was envisaged a couple of years ago but dropped, due to an unfriendly government and the Monopolies and Restrictive Trade Practices (MRTP) Act. Now, with a new government and the Act relaxed, the original proposal seems to be back. A merger could possibly be effected with an offer of one RIL share for every five RPL shares. Insiders say that with this RPL has already proposed an early conversion of Part 'B' and Part 'C' of its convertible debenture issue that was made about two years ago. Further, if a merger with RIL is not feasible, then RPL could be merged with L&T.

THE EXPORT FACTOR

AS India embarks on liberalisation and prepares for the export boom, it is inevitable that the financial sector gears up to introduce innovative instruments. One such instrument is factoring. A private merchant bank with an international tie-up, headquartered in Bombay, is getting ready to offer this credit-protection facility to its clients as an option to the letter of credit exporters currently avail of. The bank—in the process of tying up with leading financial houses worldwide—will, for a fee in the region of 1 to 1.5 per cent of the FOB value of export, offer the factoring services, meaning that it will take the responsibility of collecting dues from foreign parties. The exporter will no longer have to worry about chasing up payments as the service ensures that he receives the funds within 90 days—now, delayed payments are a nightmare for exporters.

HYUNDAI'S MOVES

SOUTH Korean mega-corporation Hyundai Heavy Industries is readying for a bigger share of the action in India. Apart from the Rs 2,000-crore contract for the Neelam Offshore Oilfield Development Project, almost in the bag, Hyundai is also planning to bid for the L-II project in the Bombay offshore region. But Hyundai's interest may extend beyond oil. If the liberalised entry policy for foreign companies materialises, the South Korean giant may set up an automobile component company to take advantage of the lower labour costs here.

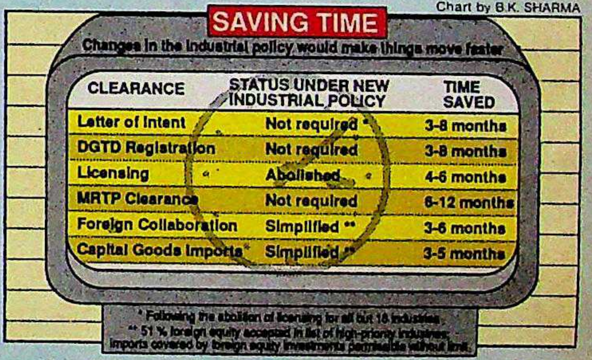
PERFORM, OR ELSE...

ONE proposal in the budget, to unload 20 per cent of the equity in select public sector companies to mutual funds and the public, is making steady progress. Having held meetings between the Finance Ministry and the Unit Trust of India, Canbank Mutual Fund and SBI Capital Markets, the Government is now setting up a panel to value public sector shares. Public sector chiefs are also realising that they may have to answer to a new set of shareholders. The conclusion they are reaching is causing them nothing but heartburn. While the Government will walk away with the booty, they will not even get a whiff of it. On the other hand, their new shareholders—the mutual funds—will expect better results, so that the funds' investments are justified. In effect, the disinvested public sector units will have to shape up, or ship out.

ALL THAT TIME

IF the new industrial policy works out, then the time saved for delicensed industries alone will justify the move. For example, as a letter of intent is not required, anything between three and eight months will be saved. Abolition of clearances from the Directorate-General of Technical Development will mean a similar saving of another four to six months, and knocking out the MRTP Act means another six months to a year saved. Capital goods import norms being simplified adds three to five months to the savings list, and by making foreign collaboration easier in certain areas means a saving of three to five months. The way things are, time may not be at a premium any longer.

Chart by B.K. SHARMA



SAVING TIME

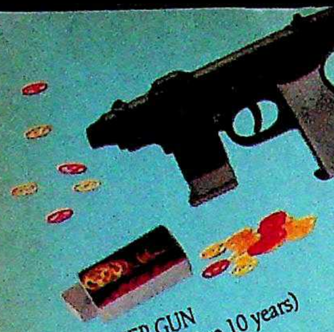
Changes in the industrial policy would make things move faster

CLEARANCE	STATUS UNDER NEW INDUSTRIAL POLICY	TIME SAVED
Letter of Intent	Not required *	3-8 months
DGTD Registration	Not required	3-8 months
Licensing	Abolished	4-6 months
MRTP Clearance	Not required	6-12 months
Foreign Collaboration	Simplified **	3-6 months
Capital Goods Imports*	Simplified **	3-5 months

* Following the abolition of licensing for all but 18 industries.
** 51 % foreign equity accepted in list of high-priority industries; imports covered by foreign equity investments permissible without limit.

BRUSHING UP

IN the personal products business, there is one segment none of the players can possibly ignore—toothpaste. Last year, 37,000 tonnes of the stuff was consumed, worth Rs 400 crore, and the market has a growth rate of over 10 per cent a year. Toothpaste accounts for a massive 35 per cent of the personal products business in India. And now Hindustan Lever Limited—heavy in the soaps and detergents market, but just a bit player in the toothpaste segment—wants a larger share of the action. With successful launches of its Close-Up range—red, and then blue gel toothpaste—it has just launched yet another variant of this popular brand, a green gel. A success in other Asian markets, this green gel toothpaste appears to have preempted the launch of another of its kind by Hindustan Ciba-Geigy Limited. Sources at Ciba however, are not talking, except to say that they are looking at other options. All this means that yet another toothpaste war seems to be round the corner.



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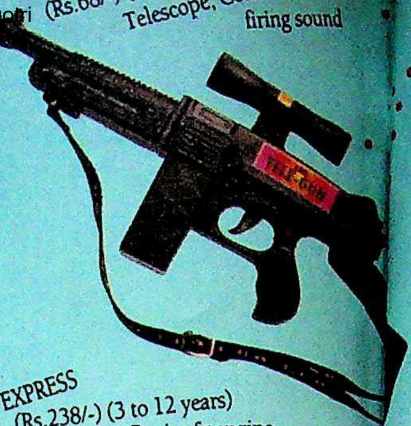

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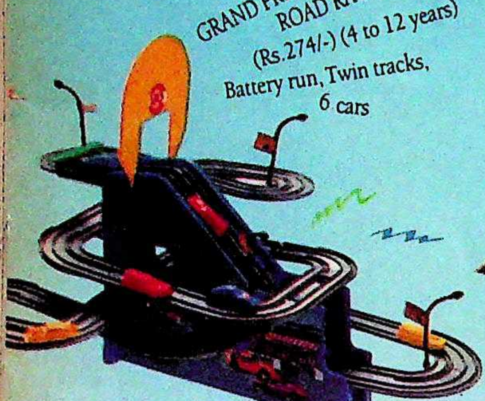

GRAND PRIX
ROAD RACING SET
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Battery run, Twin tracks,
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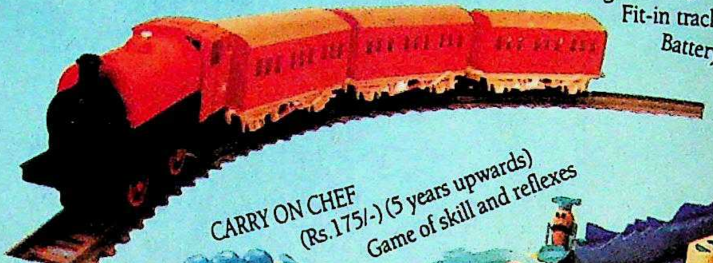

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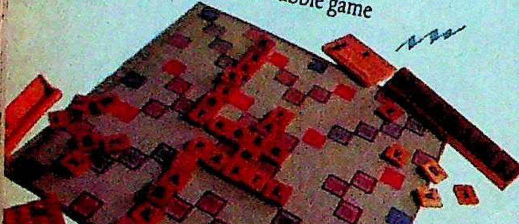

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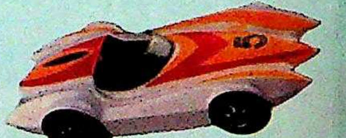

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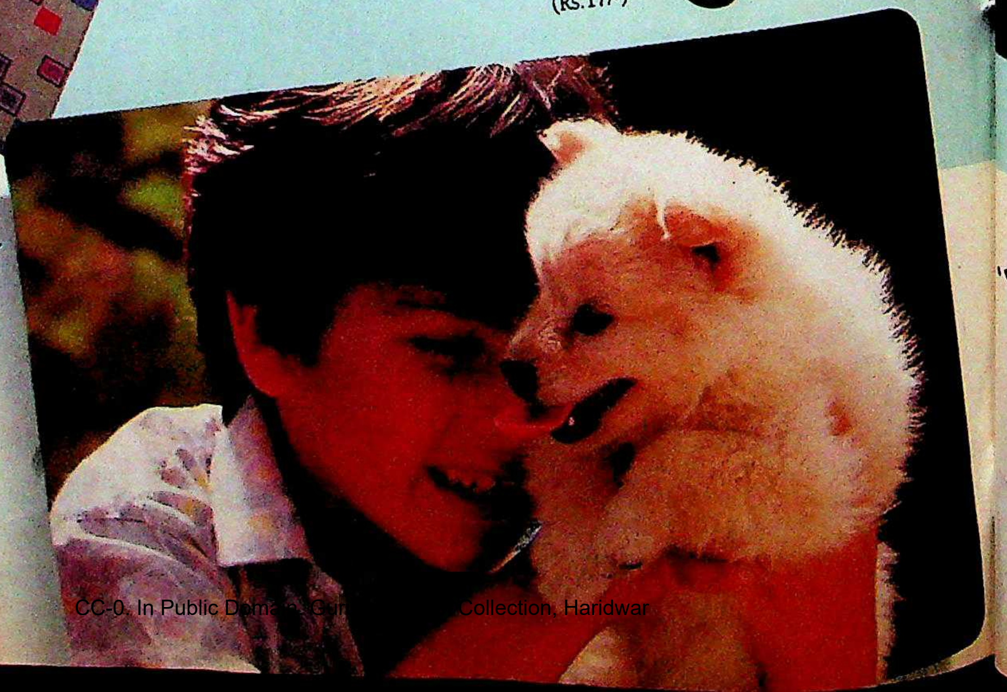

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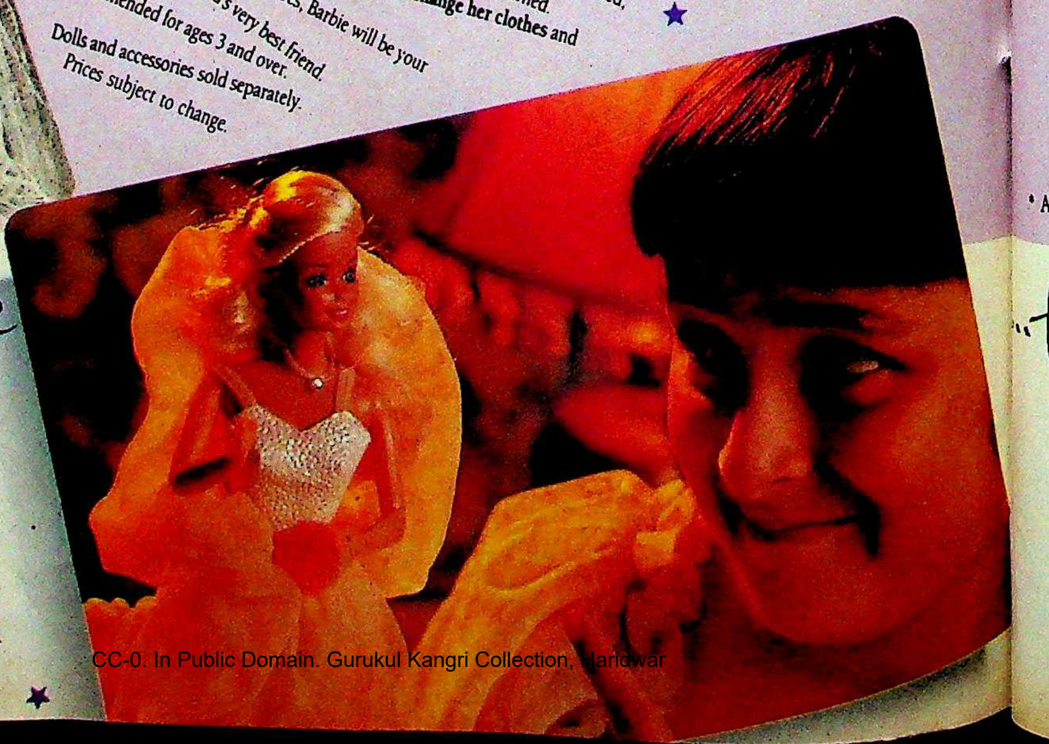

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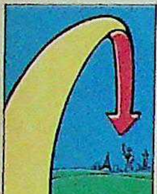
FOREIGN TRADE

Export or Perish

India's desperate bid to boost its miniscule share of global trade is seriously handicapped by a host of chronic problems.

By RAJ CHENGAPPA with GAYATRI BHANDARKAR



IN the global bazaar, Darwinism rules. Its first commandment: dominate or die. The second: whatever thou doest, do it quickly. It is a market that converts countries into neighbourhoods. It demands mass customisation with an individual touch. There are absolutely no margins for error and even for the giants in the business it is a constant tightrope walk. The price of failure: oblivion.

For decades, India was a mere bystander watching the global export circus. Even when it entered the ring, trying to get in edgeways with garments and leather exports, it wasn't much of an act. Indian exports have grown from Rs 643 crore in 1960-61 to Rs 32,527 crore in 1990-91. But it still accounted for a meagre 0.4 per cent of the total world trade, which is a mind-boggling Rs 75,00,000 crore. "We had wings," says P. Chidambaram, Union minister of state for commerce, "yet we had been daunted by the fear of flying."

Now, it appears that India wants to reach for the sky. With the yen for the dollar becoming an overriding necessity as a result of the foreign exchange crunch, the Government has set industry free. Over July and August, the rupee was devalued mainly to make Indian goods cheaper for foreign buyers. The arbitrary export policy was eliminated. Rules became more transparent and the benefits of export earnings were made freely available, through the Exim scrip. The fetters on expansion and foreign investment have been removed—in principle. All this, to send an urgent message to industry: export or perish.

Now comes the big question: Can India break its time warp and compete in the brave new world market?

As of now answers are mostly sceptical. Despite the dramatic changes in trade policies, India's years of international isolation have blunted any competitive edge it had had. With domestic industry cocooning itself from technological changes sweeping the developed world and levels of productivity low, Indian products tended to be overpriced and of poor quality. Shipping, telecommunications, air cargo, roads—essential infrastructure for any major export thrust—are in a shambles. As Hari Mundra, vice president, exports at Hindustan Levers Limited, says: "Hurdle management is going to be very important if we are going to get anywhere."

There are other key hurdles to cross as well: What can India do to boost its traditional export items like garments and leather? Which new products and services can the country use to carve a niche for itself in the world market? Where should Indian exporters head to: Europe, the US, Japan? Or everywhere?

Charts by B.K. SHARMA and PRABAL MANDAL

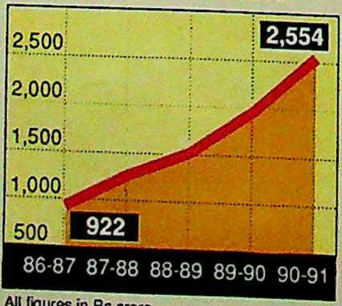
GROWTH
30.9%

CURRENT EXPORTS
Rs 2,553.85 crore

LEATHER GOODS

ITEMS: Shoe-upper, handbags, semi-finished leather
THRUST: Branded shoes
NEW MARKETS: Taiwan, Hong Kong, Singapore, South Korea, West Asia
PROBLEMS: No brand image, harmful chemicals used for processing

FIVE YEAR TREND



All figures in Rs crore

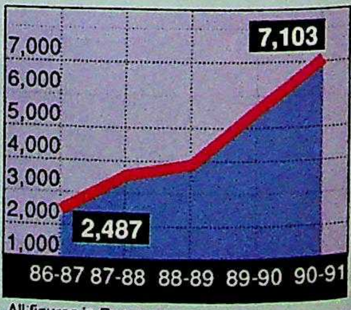
GROWTH
27%

CURRENT EXPORTS
Rs 7,102.88 crore

TEXTILE

MAIN ITEMS: Readymade garments, cotton yarns, synthetics
THRUST: High-value synthetics and branded garments
NEW MARKETS: Japan, Australia, Latin America
PROBLEMS: Can't handle bulk orders, poor quality

FIVE YEAR TREND



All figures in Rs crore

With his customary bluntness, Tarun Das, director-general, Confederation of Engineering Industry, says: "Concentrate on where the moolah lies."

This may not be as simple as it sounds, but to the industry's credit, it has been taking a hard look at what it will take India to become a dynamo in the international market-place. Given the moribund state of India's exports, several things are clear. For example, the myopic attitude of trading in semi-processed leather or cotton yarns had to undergo a transformation. "We should not return to our colonial days when we were merely exporters of raw materials," says H.H. Malghum, director, Tata Exports. "We should lay emphasis on exports of value-added products."

'Value-added' is in fact the new mantra in the business. Rajan Pillai, chairman of Britannia Industries Limited, points to India's cashew industry as an example. Currently, cashew exports, mainly in the form of kernels, total Rs 446 crore and go to countries such as the US, Soviet Union, Japan. Only Rs 78 lakh is exported in the form of roasted or salted cashewnuts, what the industry calls value-added. If processing and packaging firms are set up for roasted or salted varieties, then the turnover of cashew exports would easily double.

THE value-added emphasis works well for India's other traditional export items. In cotton, for instance, it could get away from its yarn export bias and concentrate on high value garments. With tea, instead of just exporting leaves in bulk, India could expand in the more profitable tea-bag business. In leather, shoe-uppers that dominate exports could have soles added to them and be sold as quality shoes. And instead of just cutting and polishing rough diamonds, India could carve a niche for itself in fashion jewellery.

Much of this could be combined with glitzy marketing abroad for Indian products. Not many in the West know that India can manufacture products ranging from "gemclips to rocketships", as an exporter crudely sums up. Says Salman Khurshid, Union deputy minister of commerce: "We need to sell India's image abroad through some generic advertising." Industry also needs to establish brands especially in the newer markets they penetrate.

Marketing, however, doesn't come cheap. A multinational company puts the cost of marketing abroad at as much as three times more than what it costs to make the product. Apart from industry, this is where the Government would also have to seriously change its policies. In the past, its stringent foreign exchange rules actively discouraged businessmen from participating in trade fairs or advertising abroad.

Along with value-added the other buzz-word doing the rounds is: strategic alliances. Shed of its jargon, it simply means acting as subcontractors to the big guns abroad. This is already happening in India. For instance, Whirlpool, the US washing-machine giant, recently tied up with the Madras-based TVS group for manufacturing machines for the Indian and South Asian markets. Japan's Suzuki is pulling out of the small-car market in Europe and has left the slot for Maruti Udyog to fill.

The flip side of the strategic alliance coin is also a winner: don't compete, complement. Engineering goods are where the potential lies. For instance, South Korean conglomerate Daewoo is tying up with Suzuki to manufacture cars similar to Maruti. For Indian automotive component manufacturers—who are already tuned in to Maruti's requirements—it is a ready Rs 100-crore-a-year export market. Talks with Daewoo are at an advanced stage. Meanwhile, US automobile giants Ford and General Motors are also interested in sourcing automotive spares from India.

The biggest apple, however, is the $300-billion international computer software market. Already, it is among the fastest growing export segments in India, with exports jumping from a modest Rs 34 lakh in 1985 to Rs 230 crore last year. It is an area in which the country has comparative advantages such as a highly skilled and inexpensive technical and managerial force. The cost of writing software in India is half of what it takes, say, in the US.

GROWTH

84%

CURRENT EXPORTS

Rs 240 crore

AUTOMOTIVE COMPONENTS

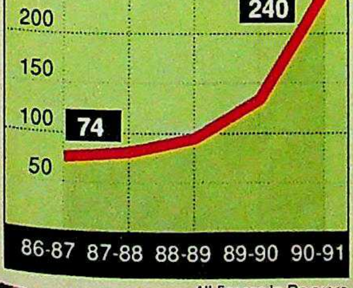
ITEMS: Engine parts, braking and suspension parts, steering

THRUST: Car manufacturers

NEW MARKETS: South Korea, Japan, USA

PROBLEMS: Red tape,high cost of inputs like steel

FIVE YEAR TREND



All figures in Rs crore

GROWTH

87%

CURRENT EXPORTS

Rs 1,053 crore

PROJECTS

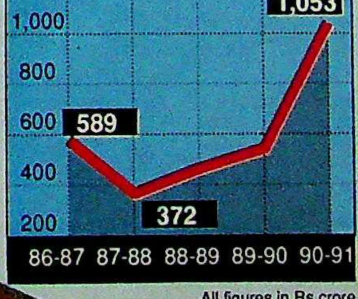
ITEMS: Construction, turnkey projects, consultancy

THRUST: High value consultancy

NEW MARKETS: USSR, Nepal, Malayasia, Sri Lanka

PROBLEMS: No special incentives

FIVE YEAR TREND



All figures in Rs crore

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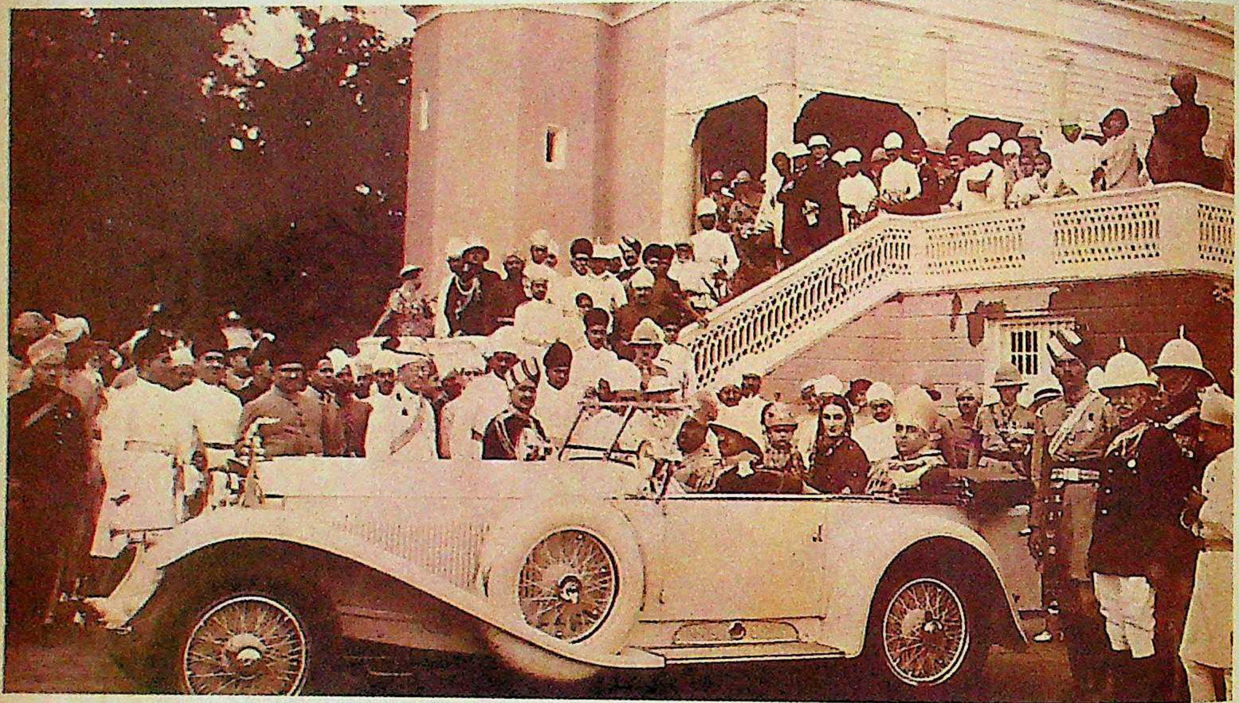

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Realising the potential, several multinational giants have either come in as 100 per cent export-oriented units—such as Texas Instruments of the US, which has set up shop in Bangalore—or with tie-ups. General Electric (GE), another US company, has established an arm in New Delhi to develop software for its global empire. British Telecom and CitiCorp are here too. Says Stephen Brandon, GE India's national executive: "India should go for broke in the software market."

The other sunrise export industry is project consultancy or, simply put, body and brain shopping. Here again, India's vast technical pool as well as cheap labour could work to its advantage, whether it's in Europe or in project-rich Africa and West Asia. But the Government has been shortsighted. For instance, it doesn't treat earnings of foreign exchange in consultancy on par with that of manufactured goods for incentives. "What difference does it make how the dollar is earned?" asks Ajit Gulabchand, managing director of the Bombay-based Hindustan Construction Company.

WHILE the potential is enormous, there are several serious disadvantages. Globally speaking, India's plans could not have been more badly timed. World trade is in the throes of a recession that has seen overall growth drop from 7 to 5 per cent last year. Indian exports have already suffered from the downswing. The US—India's largest trading partner—has cut back on imports as a result of a recession rocking that country. With credit restraints on foreign exchange, the import-dependent diamond cutting and polishing trade has taken a bad knocking. The net effect: exports in rupee terms have grown at the piffling rate of 4 per cent a year since April, compared to last year's average of 17 per cent. "This is just a passing phase, we are going to see an upswing soon," assures Commerce Secretary Montek Singh Ahluwalia.

The other problem is the rapid development of trade blocs worldwide, which are designed to protect regional economic interests. The North American bloc led by the US and Canada is adding another member: Mexico. Japan's yen-fed bloc of Taiwan, Hong Kong, Malaysia, Singapore, Indonesia and Thailand, is a reality. Meanwhile, along with communism, trade in the Eastern bloc—India's cosy rupee payment niche—is crumbling. Says a New Delhi-based senior executive of a multinational: "The problem is that India really doesn't belong anywhere."

However, Ahluwalia, one of the main architects of India's globalisation drive, feels India doesn't need to join any bloc. To him, India's strength lies in its shift away from the traditional garments and leather exports to a more diversified basket including computer software, marine products and automotive components, which wouldn't be hampered by blocs.

The big problem for the Indian export thrust, however, is the state of Indian industry itself. With its earlier emphasis on self-reliance, India missed the technological bus in several fields. As Suresh Krishna, chairman of the Madras-based Sundaram Fasteners, says: "We are discovering that everybody is streets ahead of us." In manufacturing, for instance, while the world is shifting rapidly to computer-integrated systems, around 53 per cent of machine tools in Indian factories are more than 10 years old and use obsolete technology.

Textiles, which is India's largest export earner, is another example of how the country shackled itself. Failure to keep pace with the high-speed garment cutting and stitching machines saw India lag far behind nations such as Indonesia, Thailand, Malaysia, and China. Bulk orders now go to other countries as India's outmoded machinery makes garments more expensive to stitch. As Neerja Rajkumar, director-general, Apparel Export Promotion Council, says: "We are in the position that China was in 1978. Only now are we giving the push to modernise."

One way out of the technology imbroglio is to have increased foreign tie-ups and get industrial giants to use

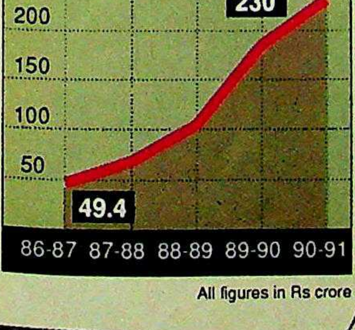
GROWTH
46%

CURRENT EXPORTS
Rs 230 crore

SOFTWARE

ITEMS: Inventory, medical
THRUST: Big tie-ups
NEW MARKETS: Europe
PROBLEMS: Poor communication facilities

FIVE YEAR TREND



All figures in Rs crore

CASHEW EXPORTS	GROWTH
Rs 446.8 crore	**21.5%**

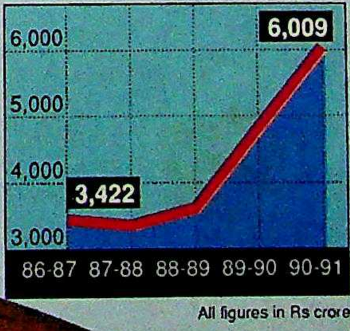
RICE EXPORTS	GROWTH
Rs 439.9 crore	**3.1%**

TEA EXPORTS	GROWTH
Rs 1,074.8 crore	**18.8%**

AGRICULTURE

THRUST: Packaged products
NEW MARKETS: Japan, Australia
PROBLEMS: Poor yields, dependence on East bloc

FIVE YEAR TREND



All figures in Rs crore

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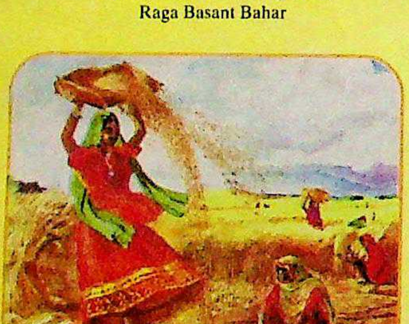

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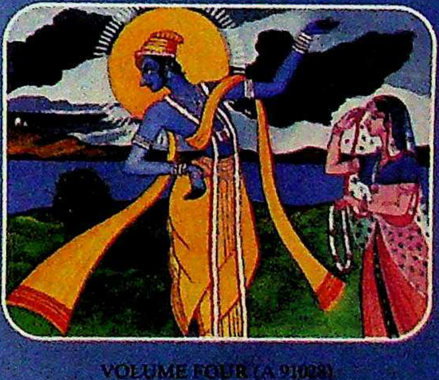

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r manufacturing. ...t relaxing equity re- ...ould help considerably. ...roubled political situation ... Most European and Japanese ...stors welcome the changes but ...ant to wait a few months to see whether the new industrial policy would become a reality. Also, India's past record doesn't help. "Despite the change in policies it will be hard to change attitudes," says Sanjoy Chowdhury, chief economist with the investment firm Merrill Lynch in Singapore.

There are various other problems as well. Being a global exporter also means ensuring quality and keeping delivery schedules. And this is where India frequently comes a cropper. The Indian consumer may be forgiving. But a slip-up in export quality can kill the product, and the country's reputation. "Things that do not fit or fall apart will not be tolerated here," says Andrew Lawson, head of the Confederation of British Industry's South Asia division in London. "Exports will depend on quality."

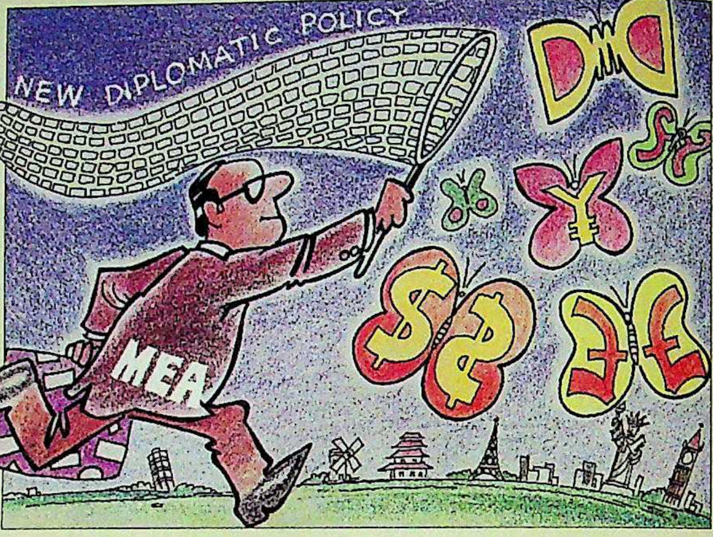
Quality—dependent on productivity and efficiency—is mostly alien to India's work culture. The onus to fix it partly lies on India's intractable trade unions who need to talk as much about productivity as they do on wages. Equal responsibility lies with corporate management. Indian industry was not exactly unhappy over the Government's earlier protectionist policy that saw it reap huge profits in the domestic market. Now, it will have to give up its licence-permit cocoon and three-hour lunches at clubs—and get cracking. "We have got to change our mindset," says Sundaram Fastener's Krishna. "Our attitude should be, if the guy in Taiwan can do it why can't I?"

The responsibility of transforming India into an export powerhouse also lies with the Government. Obstacles and rules remain and the Commerce Ministry has to fine-tune its policy before it gets bogged down once more in bureaucratese.

Any which way they turn, the global arena will be the litmus test for industry and the Government. "Those who can slug it out will survive," says Tarun Das. "The others will just fade out." Export competitiveness is not a circus any longer—the sooner India realises it, the better.

—with reports from SHIV TANEJA and SHANKAR VISHWANATHAN in Bombay, AMIT ROY in London and SALIL TRIPATHI in Singapore

Illustration by JAYANTO



MINISTRY OF EXTERNAL AFFAIRS

A Decisive Shift

THE Ministry of External Affairs (MEA) is engaged in a new ball game—economic diplomacy. In the months ahead, Indian foreign policy will undertake some subtle but major shifts in priorities. With *perestroika*, the main task will be to push trade. "The economic content of diplomacy will now outstrip everything else," admits a senior bureaucrat in the MEA.

Detailed notes have already been sent to Indian missions abroad outlining the unfolding economic reforms. Ambassadors and middle level diplomats attend refresher courses to familiarise themselves with the policy shifts. According to Foreign Secretary Muchkund Dubey, such internal reforms were long overdue. He stresses that internationally "we will have to lower our rhetoric, not go out of the way to take a position of principle just for the sake of it"

MEA's Economic Cell, set up last year, will focus on four 'primary target areas'. The US—with North America and Latin America; Europe—or the ECC, Japan with the East Asian countries, and ASEAN.

The US is India's largest trading partner—yet India has very little claim on the import market. Indian foreign ministry officials see a link between US investment in India and additional leverage in the American Congress.

Japan has reached saturation point in investment in South East Asia. It is now looking for business with the Philippines, Pakistan and India. It sees a vast market for the Indian production of computers, chips and a whole range of middle level technology made to Japanese specifications. Indian officials are enthused about Japan's "political belief" in India.

The non-governmental Indo-Japan study group, headed by top Japanese businessmen, Indian bureaucrats like Dubey, and chaired by Finance Minister Manmohan Singh, are discussing setting up a series of model industrial towns in India with the necessary infrastructure and facilities for Japanese business. Sites near Delhi, and in Maharashtra and Goa have been identified. They have been promised direct telelinks—golf courses and sushi bars alone cannot attract businessmen, who will come when the climate for business improves drastically—that is when the new industrial policy is translated into reality quickly and credibly. Clearly, charting the course of India's new economic diplomacy will be the biggest challenge the MEA has faced in recent years.

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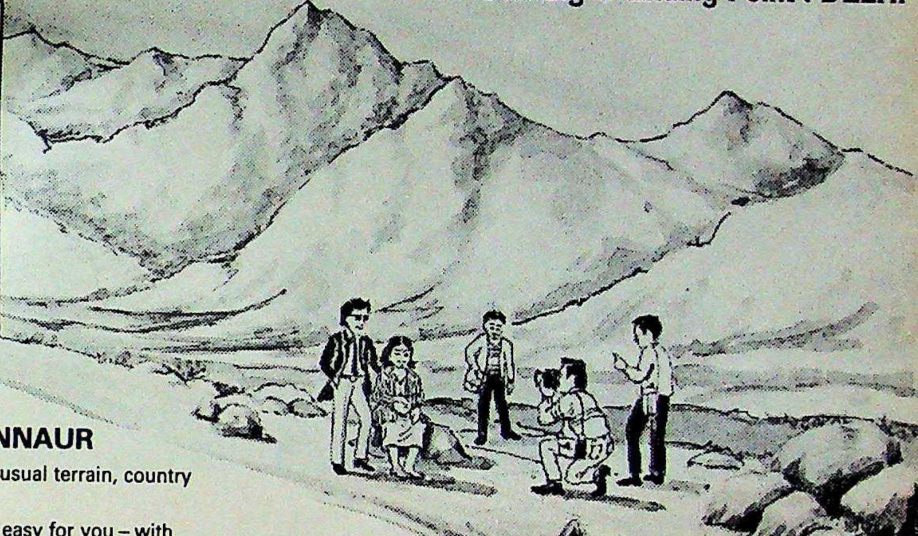

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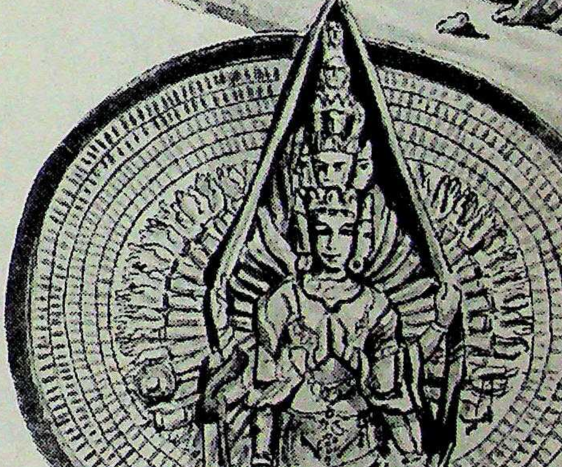

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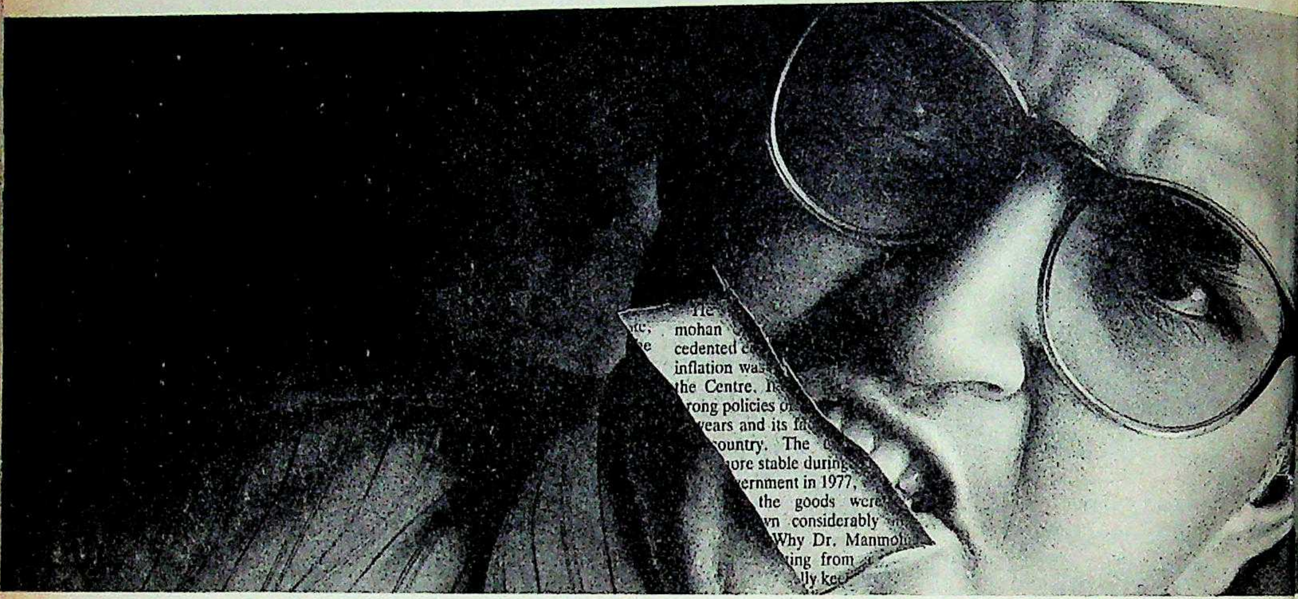
Presenting the Godrej 930X Printer.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And a censored version of the market reactions.

What was the hurry?
The printers currently in use are quite adequate. And if [redacted] computers aren't complaining, what was the tearing hurry to bombard the market with this top-of-the-line 300 cps whiz-kid? [redacted] Preposterous!

User-friendliness? Or... seduction?
All operations of the Godrej 930X Printer, it seems, are possible through a finger-tip front panel control. And it's so designed, even a [redacted] novice can make full use of all the built-in [redacted] capabilities. This is not user-friendliness; it's [redacted] downright seduction!

Paper handling? Looks like black magic!
Both bottom feed and rear feed are possible with the [redacted] 930X, and so is cut-sheet feeding without having to take the continuous stationery out of the tractor. Feeding of paper and removal of paper is at the touch of a button! Now if this isn't [redacted] uncanny, what is?

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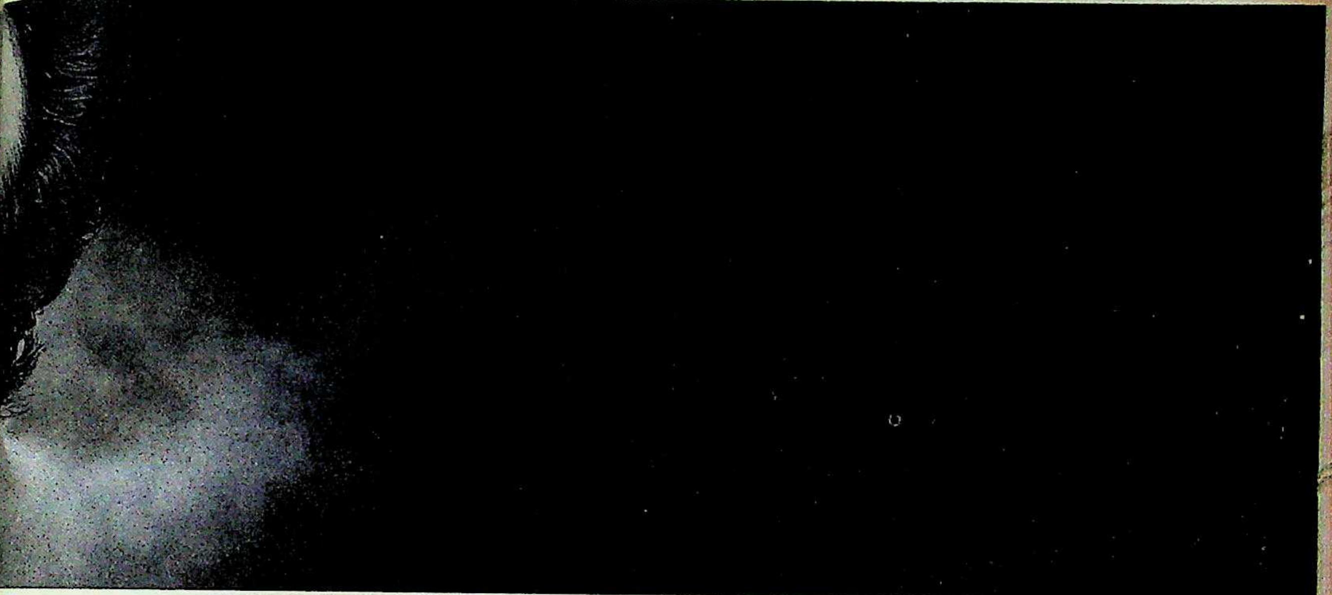
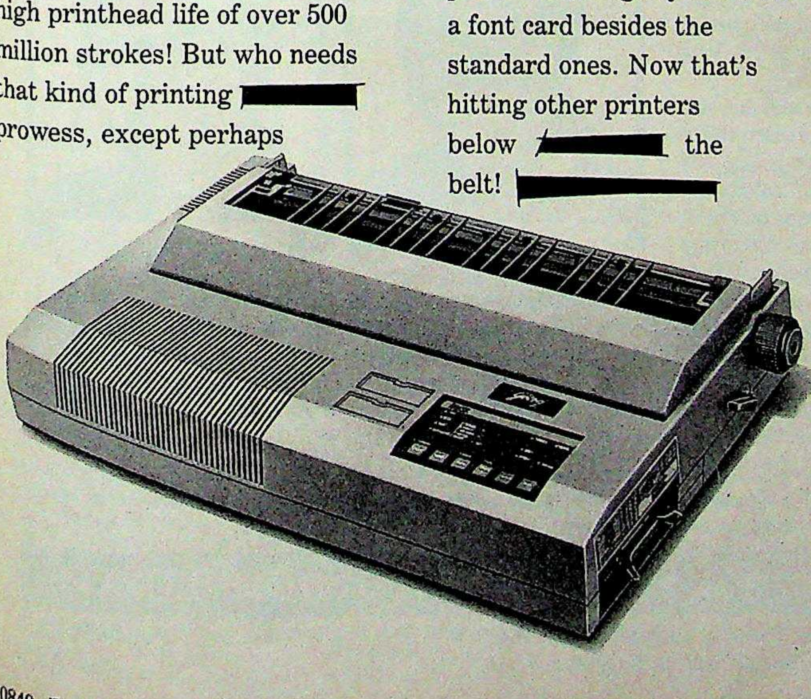


Incredible hold over time and distance!

The news is that the 930X operates non-stop for days together without a [redacted] switch-off! And it's a [redacted] long-distance runner with a high printhead life of over 500 million strokes! But who needs that kind of printing [redacted] prowess, except perhaps a printing press! [redacted]

The unfair advantage of font cards!

The 930X offers a variety of standard fonts. Moreover there's a slot near the front panel which eagerly takes on a font card besides the standard ones. Now that's hitting other printers below [redacted] the belt! [redacted]



Compatibility? It looks like conspiracy!

The 930X is available with IBM and EPSON ESC/P Emulations. Plus, it offers the unique option of an EMULATION card which makes it [redacted] compatible with a host of other systems. Now isn't that taking compatibility a bit too far?

Well, now that you've heard the printable excerpts of the market reactions, it's time to contact your nearest Godrej Dealer for a live demo. Without fear, prejudice, or obligation.

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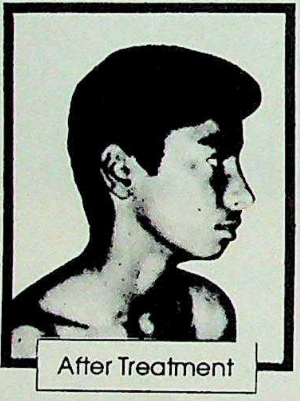
Before Treatment

After Treatment

CAUSES OF LEUCODERMA

Human body's skin consists certain pigments medically known as "MELANIN", of which the primary function is to lend colour to human body. With the passage of time, surface of human skin continues to be invisibly thrown off and constantly renewed from below and thus maintains its colour naturally. If Melancoyte stops process of making MELANIN, then, in such case this disease exhibits itself by showing a white patch on that part of the body.

Before Treatment


After Treatment

Many times, Leucoderma appears due to an external injury or burns, but in that case it-does not spread to the other parts of the body. But when it begins due to internal deficiencies and by causes herein stated it always tends to spread to the other parts of the body. The real cause of internal deficiencies which results in numerous white patches on the body is yet to be discovered, but it has been generally observed in practice that almost 80% patients afflicted by this disease have worm infestation or chronic dissentry. So worm infestation or chronic dissentry itself may be the basic cause of this disease. It has also been observed that in most cases this disease is hereditary.

TREATMENT

For treatment of this disease, such medicines are prescribed which would enable Melanocyte to continue to manufacture Melanine Pigment, which is essential to maintain the body in its natural colour. The best period of life for effective and efficacious treatment is from the age of 6 years till the age of 50 years. The treatment is only oral, and there is no local applications.

Alongwith prescribed medicine for treating this ailment, sun-exposure plays most important part in the cure of disease. The patient should take sun-exposure by allowing the sun-beams to fall directly on the white patch between 11-00 a.m. to 2-00 p.m. for atleast 5 mts. The result of successful cure may be visible after 3 weeks from the time the treatment is started, small dots of skin-colour appear on the area of patch, which gradually grow bigger and bigger till the complete white patch is again eleminated and the skin regains its original colour. This treatment requires about six months for complete cure. Since the sun-beams play vital part in cure, if sun-exposure is not feasible, particularly during the rainy season, then, artificial treatment of Ultra-violet rays therapy is applied, which generally proves equally efficacious treatment. Sun-beams or aforesaid therapy does not have any side-effects. Coconut oil is to be applied twice daily on white spots. Leukoderma is in no way deadly, because it is not infectious but it certainly tarnishes the beauty of human body. There is no need to discard or scorn the persons afflicted with this disease. They should be treated with greater sympathy.

Before Treatment

After Treatment

RESTRICTIONS :- (1) Anything made of Soda-Carb (2) Pickles (3) Lemonades (4) Chocolates (5) Coffee or Cocoa products (6) Stored Sour things (7) Tinned food or drinks (8) Aluminium vessels (9) Plastic wears, chappals, slippers, plastic ornaments, bindi, tight fittings esp. socks and along the waist line should not be worn (10) Polyester dresses should be avoided.

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THE MARKETS

Riding High

Scrips reflect optimism

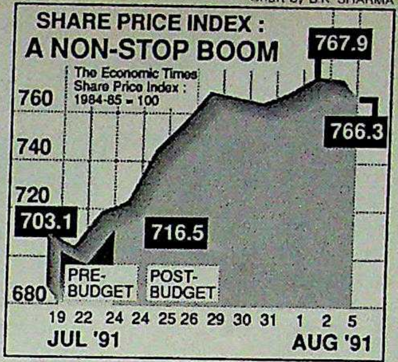
Up by over 400 points, or 33 per cent since the Narasimha Rao Government was installed, the Bombay Stock Exchange Sensitive Index is in no mood to back off. And in the fortnight ending August 3, the index crashed through an all-time high level of 1,700 points to 1,703.15 before settling down to close at 1,680.62, representing a gain of over 80 points.

Interestingly, this upward movement of shares was not restricted to the traditionally speculative scrips only, but was indicative of an across-the-board hike, which included scores of cash scrips as well. The more conservative Economic Times Index of shares for Bombay also scaled a new high of 892.8. And all this despite stringent trading curbs, high *badla* rates and substantial off-loading of stocks by financial institutions.

Clearly, the stock-markets were on a roll, but fundamentals suggested it should have been just the opposite. With economists still predicting hard times for the foreseeable future, the official figure of inflation up to 11 per cent, a national furore over the removal of subsidies on fertilisers, and the general cost of living leap-frogging to new highs, pleased stock-markets seem like an anomaly. Says a leading stock-market analyst: "It is all a question of perception. The market is euphoric because it feels industry has got away lightly in terms of additional taxes and levies, at least in a relative sense." Since the market usually takes a view for the long haul, many punters have taken a position that the industrial policy is a godsend and anticipate substantial recovery of the Indian economy over the next two to three years, despite some hardship in the interim. But cautions one financial analyst: "If this experiment fails, then we are doomed."

An example of how fragile and tenuous the situation is, was reflected on August 2 when it was rumoured that Finance Minister Manmohan Singh had resigned over a controversy that was brewing on account of the budget allocation of Rs 100 crore to the Rajiv Gandhi Foundation. In kerb deals, the market panicked and then plummeted, only to stage a modest recovery when the rumour was found baseless. Reliance Industries, a major mover over the fortnight, declined sharply from the day's close of Rs 193—and a high of Rs 203—to Rs 183, before recovering to Rs 194. In other movements Larsen & Toubro had shot up by Rs 9 to Rs 152 on the speculation that the Ambanis are likely to regain control of this premier engineering behemoth. As is usual for the stock-markets, the mood is now a mixture of hearsay and hope. But nobody is willing to bet whether these two elements will be enough to keep the bulls charging the way they have been for the past two months.

Chart by B.K. SHARMA



ACTIVE STOCKS

	1991 HIGH	LOW	CLOSE 5.8.91	Change in Fortnight
Ashok Leyland	174.00	109.00	173.00	11.00 +
Associated Cement	3200.00	1300.00	3100.00	520.00 +
Asian Paints	267.50	215.00	235.00	5.00 -
Atlas Copco	111.25	42.00	105.00	20.00 +
Bajaj Auto	680.00	500.00	655.00	65.00 +
Baroda Rayon	940.00	400.00	865.00	300.00 +
Bata India	93.00	72.00	93.00	9.50 +
Ballarpur	309.00	228.00	301.00	17.00 +
Birla Jute	341.00	168.00	337.00	46.00 +
Blow Plast	155.00	40.00	145.00	22.50 +
Bombay Dyeing	267.50	160.00	258.75	51.25 +
Britannia Ind.	180.00	112.00	171.00	15.00 +
Brooke Bond	172.00	116.00	152.00	14.00 +
Cadbury India	197.50	132.50	191.25	27.50 +
Castrol India	435.00	162.50	407.50	45.00 +
Century Textiles	6950.00	3625.00	6725.00	385.00 +
Colgate Palmolive	351.25	250.00	337.50	5.00 +
Cyanamid	170.00	76.25	155.00	10.00 +
DCM	300.00	123.00	259.00	42.00 +
Dunlop	72.00	46.50	72.00	16.00 +
E.I. Hotels	60.00	35.00	50.00	5.00 -
Escorts	172.00	127.00	162.00	12.50 +
Finolex Cables	260.00	140.00	237.50	40.00 +
Garware Nylon	44.00	27.00	40.50	2.50 +
G.E. Shipping	101.00	25.00	89.50	11.25 +
G.S.F.C.	260.00	150.00	232.50	15.00 +
Grasim Ind.	312.50	167.50	302.50	51.50 +
Guj. Ambuja Cement	246.25	90.00	236.25	50.75 +
Hind. Aluminium	335.00	200.00	322.50	16.25 +
Hind. Ciba	2100.00	650.00	2000.00	300.00 +
Hindustan Lever	180.00	132.50	145.00	5.00 +
Hindustan Motors	33.50	18.80	29.25	6.25 +
Hoechst	4100.00	2400.00	3900.00	650.00 +
ICI	80.00	30.00	71.00	14.00 +
Indian Organic	63.00	30.00	71.00	14.00 +
Indian Rayon	172.50	104.50	164.50	18.50 +
Ingersoll-Rand	385.00	240.00	350.00	5.00 −
ITC	260.00	99.00	251.00	51.00 +
J.K. Synthetics	55.00	27.00	50.00	14.50 +
Kinetic Engineering	200.00	145.00	190.00	30.00 +
Kirloskar Cummins	185.00	95.00	175.00	31.25 +
KSB Pumps	240.00	160.00	225.00	15.00 +
Larsen & Toubro	163.00	90.00	160.00	50.00 +
Lipton	170.00	57.50	135.00	10.00 −
LML Ltd.	37.50	21.00	32.50	10.00 +
M&M	85.00	57.50	81.25	15.00 +
Mastershares	42.50	20.00	29.75	5.90 -
Motor Industries	1525.00	675.00	1400.00	30.00 +
Mukand Ltd.	215.00	117.50	148.75	3.75 +
National Organic	1950.00	925.00	1840.00	330.00 +
Nestle India	190.00	111.25	188.00	26.50 +
Nirlon	41.25	16.00	33.50	11.00 +
Orkay Silk Mills	39.00	17.50	35.50	13.00 +
Pelco Electronics	117.00	53.00	116.00	27.50 +
Premier Auto	57.00	30.00	53.50	6.00 +
Raymond	192.50	110.00	176.25	17.50 +
Reckitt & Colman	370.00	205.00	370.00	79.00 +
Reliance Industries	204.00	91.25	195.00	65.00 +
Siemens India	170.00	112.50	166.25	11.25 +
Shaw Wallace	185.00	77.00	178.00	44.00 +
Shriram Fibres	61.00	33.00	61.00	15.00 +
SKF Bearings	2925.00	1650.00	2650.00	50.00 -
SPIC	76.00	33.00	64.00	7.00 +
Tata Steel	248.00	170.00	235.00	20.50 +
Telco	277.50	142.50	270.00	25.00 +
Titan Watches	93.75	58.00	80.00	5.00 +
Vam Organic	195.00	102.50	185.00	2.50 -
Videocon Int.	285.00	133.75	210.00	30.00 +
Voltas	135.00	92.50	130.00	10.00 +
Wimco	47.00	16.00	46.00	10.00 +

WORLD VALUE OF RUPEE

COUNTRY	CURRENCY	UNIT	TT Selling Rates Rs	TT Buying Rates Rs
Australia	Dollar	1	20.1856	19.9796
Austria	Shilling	100	213.8854	211.3120
Bahrain	Dinar	1	68.5457	66.6488
Bangladesh	Taka	100	72.4984	71.4028
Canada	Dollar	1	22.4838	22.2589
Denmark	Kroner	1	3.8815	3.8415
Egypt	Pound	1	8.0290	7.9029
France	Franc	1	4.4843	4.3764
Germany	DM	1	15.2672	14.8810
Hong Kong	Dollar	1	3.3201	3.2879
Indonesia	Rupiah	100	1.3237	1.3030
Iran	Rial	100	N/A	N/A
Italy	Lira	100	2.0120	1.9880
Japan	Yen	100	19.2678	18.7970
Kenya	Shilling	1	0.9018	0.8919
Kuwait	Dinar	1	N/A	N/A
Malaysia	Dollar	1	9.3054	9.2130
Mauritius	Rupee	1	1.5802	1.5613
Nepal	Rupee	1	0.6070	0.6056
Netherlands	Guilder	1	13.3298	13.1954
Pakistan	Rupee	1	1.0107	0.9913
Singapore	Dollar	1	14.9410	14.7894
Spain	Peseta	1	0.2403	0.2378
Sri Lanka	Rupee	1	0.6233	0.6144
Sweden	Kroner	1	4.1403	4.0973
Switzerland	Franc	1	17.1993	17.0233
Tanzania	Shilling	1	0.1177	0.1150
Thailand	Baht	100	101.2699	98.3680
UK	Pound	1	43.9754	43.6586
USA	Dollar	1	25.7732	25.5265
UAE	Dirham	1	7.0208	6.9479
USSR	Rouble	1	29.9379	29.9356

These rates were supplied by The Bank of Tokyo Limited, New Delhi and quoted between the banks on 7.8.91.

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★ To manufacture Acrylic Fibre – the Wonder Product.

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★ Excellent market potential – against estimated production of 40,000 T.P.A. (1990), demand estimated at 60,000 T.P.A. (1990) and to reach 1,31,000 T.P.A. by the year 2000.

★ Technical collaboration with Du Pont (USA) – one of the world's largest chemical companies with a turnover of US $ 35,534 million (1989).

★ Du Pont, the inventor of Nylon and Teflon®, amongst others, has operations in 40 countries around the world.

★ Equity participation of Rs. 325 lacs, and a loan of US $ 5.9 million by the Asian Development Bank.

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★ Income Tax benefits under Section 88A (subject to extension of provisions for 1991-92), 80L and 80M.

★ Easy liquidity – listing in Ludhiana, Delhi, Bombay, Calcutta and Ahmedabad Stock Exchanges.

★ Risks:

- Availability and price of major imported raw materials will depend on Government policies, and International developments.
- The project cost is subject to changes in foreign exchange rates, input costs, duties and levies.
- Rupee devaluation will increase the cost of servicing foreign currency loans and of imported raw materials. Any resultant price increase may affect the demand.

ISSUE OPENS ON 27TH AUGUST, 1991

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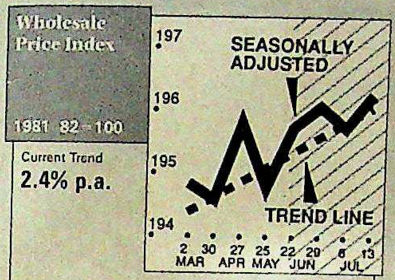
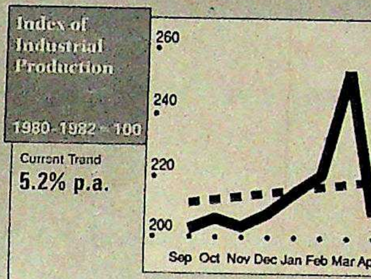
The picture on the industrial front looked very bleak. Notwithstanding the Government's recent announcements of a liberal policy, to try and drag industrial growth from the present 5 per cent a year to 15 per cent is going to be an uphill task. Without structural adjustments, the rate of growth may not even get half-way there.

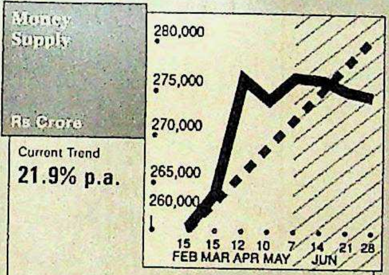
All data are seasonally adjusted. Current trends are computed on the basis of six months' (weekly data) or one-and-a-half years' (monthly data) figures.


Wholesale Price Index
1981-82 = 100
Current Trend
2.4% p.a.

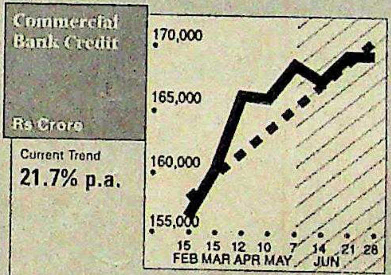
The Index registered an increase of 0.3 per cent—its overall stability is reflected in the low rate of growth.


Index of Industrial Production
1980-1982 = 100
Current Trend
5.2% p.a.

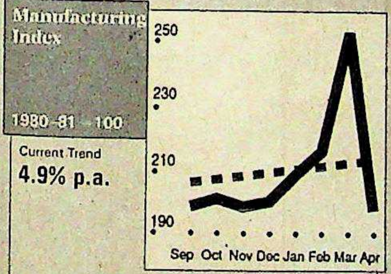
Output in the industrial sector fell drastically. The Government will have to quickly implement its industrial policy.


Money Supply
Rs Crore
Current Trend
21.9% p.a.

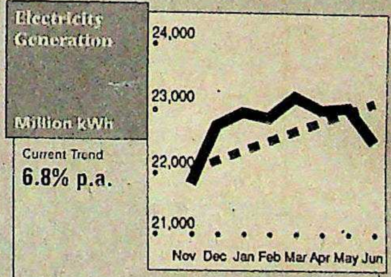
Money supply declined marginally, but the current rate of growth is still alarming despite the RBI's measures.


Commercial Bank Credit
Rs Crore
Current Trend
21.7% p.a.

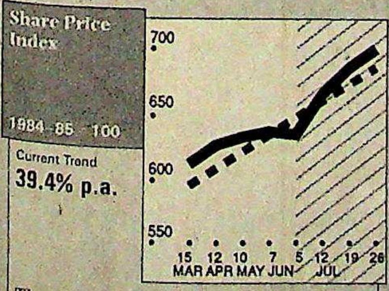
Commercial bank credit remained fairly stable, a good sign given that money supply is contracting.


Manufacturing Index
1980-81 = 100
Current Trend
4.9% p.a.

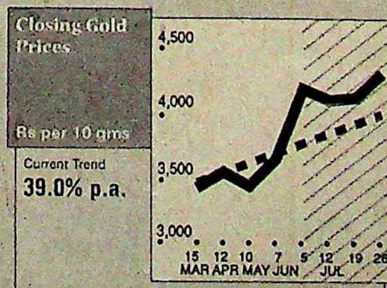
The index plunged, keeping in tune with the drop in industrial production—this is definitely bad news.


Electricity Generation
Million kWh
Current Trend
6.8% p.a.

A drop here—the Government's new policy of opening up the power sector should help in the future.


Share Price Index
1984-85 = 100
Current Trend
39.4% p.a.

The share markets were booming as a reaction to the announcement of industrial policy proposals.


Closing Gold Prices
Rs per 10 gms
Current Trend
39.0% p.a.

Gold prices continued to rise, indicating that buyers expect inflation to grow, despite attempts to curb it.

WHOLESALE PRICES

Growth of items in the 1st fortnight of July 1991

	% Growth
Jute Textiles	7.86
Copper & Alloys	6.32
Zinc	4.47
Silk Raw	4.03
Hides Raw	3.29
Tea	3.03
Cables & Wires	2.41
Machines Tools	2.41
Moong	1.95
Cement	1.89
Cotton Cloth	1.75
Ghee	1.70
Copra	1.64
Groundnut Oilcake	1.44
Chillies	1.41
Handloom & Powerloom Products	1.35
Buses	1.29
Silk & Artificial Fabrics	1.16
Dairy Products	1.14
Rape & Mustard Seeds	1.10
Coir Yarn	1.09
Urad	1.01
Electrical Motors	0.94
Caustic Soda	0.92
Bolts & Nuts	0.91
Meat	0.89
Bajra	0.87
Cotton Raw	0.77
Milk	0.77
Coir Fibre	0.73
Boilers	0.73
Pipes & Tubes	0.69
Dyeing Materials	0.68
Jowar	0.67
Cashew-Nut	0.65
Limestone	0.63
Cigarettes	0.62
Sugar	0.61
Pesticides & Insecticides	0.59
Woollen Cloth & Woollen Khadi	0.58
Cycles	0.55
Tractors	0.53
Sugarcane	0.50
Power-Driven Pumps	0.50
Tobacco & Other Tobacco Products	0.47
Dry Cells	0.46
Paper	0.45

Of the 134 series considered, 70 of them with a total weight of 44.042 had a positive rate of growth and 64 of them with a total weight of 40.810 had a negative rate of growth.

SELECTED INDICATORS

	1991	1990
Petroleum Crude Thousand Tonnes, June	2619	2781
Petroleum Refinery Product Thousand Tonnes, June	3812	4135
Letters of Intent Numbers, June	543	479
Industrial Licences Numbers, June	171	187
Foreign Exchange Reserves Rs crores, June	2580.16	5293.09

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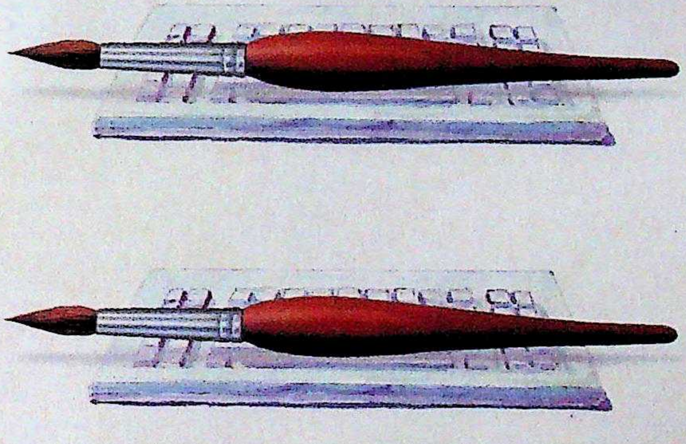
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PRASHANT PANJIAR

Scindia: sympathetic ear

Cleared to Taxi?

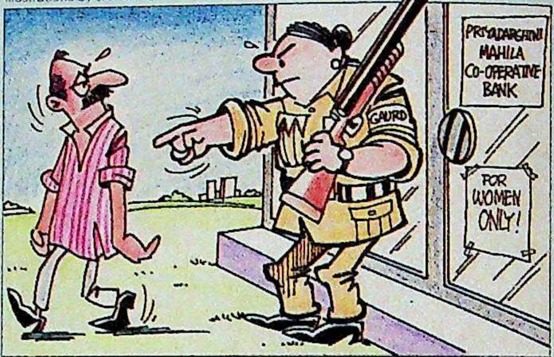
■ AIR Asiatic may have got grounded, but other private air-taxi operators are keen on winging it. Continental Air started its service last month after initial hesitation while UB Air, Vijay Mallya's airline, is planning to bring in at least two more aircraft this year to add to its one-Dornier fleet. Apart from six hopefuls who have already been given flying permits, there are 17 who have received no-objection certificates.

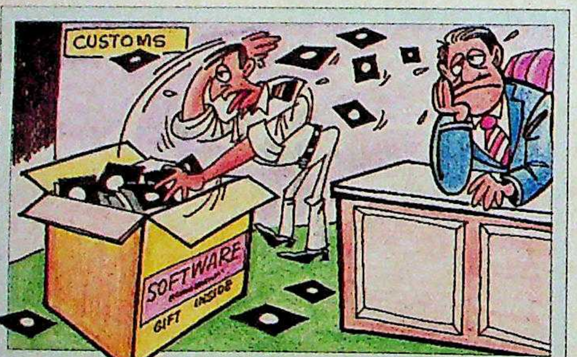
For his part, Minister of Civil Aviation Madhavrao Scindia met air taxi operators last month, and listened to all their complaints regarding counter space at airports, for hangars to park the aircraft, and service in airports, among several other things. Besides, there is the main constraint for the expansion: foreign exchange. And the other: competition from Indian Airlines. Scindia heard them out but played even on their chances. "I am not overenthusiastic about air taxis," says the minister. "But certainly I feel that they should be given a chance." Given the shaky nature of their enterprises, even one positive word from Scindia is enough to keep the operators in the clouds.

No Man's Land

■ If you are a man, forget it. And if you have nothing to do with a woman, forget it again. This is the motto of the all-woman Priyadarshini Mahila Co-operative Bank, set to take off in Bombay this month. The bank, which will have an initial share capital of Rs 14 lakh and a shareholder membership of 2,600—which includes middle class housewives and vegetable vendors—is authorised to give loans worth Rs 75 lakh a year. Everyone from the Chief Promoter, Saroj Bhosale-Naik, daughter of former Maharashtra chief minister Babasaheb Bhosale, to the directors, the eight employees and shareholders are women. The loans are meant for women. If a man needs funds he will have to prove that his wife, mother or sister has an equal interest in the business.

Illustrations by JAYANTO





A Bad Custom

■ Customs personnel are very nosy people—after all, it's their job. But this very tendency to search everything in sight can create unforeseen problems. Legally imported software, which comes in sealed floppy disks along with a number of manuals, is also subjected to checks. But the importers are faced with a dilemma, as the seals are broken by customs. Companies which sell the software have a condition that breaking of the seal implies acceptance of all conditions of sale, even if the buyer hasn't touched the package. This problem hasn't yet been resolved.

The actual reason is that many companies usually send small gifts along with the software. These invariably get 'lost in transit' when they pass through customs. While this may be a reason for the customs' interest in hi-tech, software importers say for the sake of a gift, they lose out on disputes.

Labour Lows

■ Yes, there is yet another segment in which India doesn't compare too well with the countries it will have to compete with. This shows up in a 1991 World Bank survey that details the growth of manufacturing earnings per employee. While for India the growth rate has been impressive for 1980-88 over the average 0.4 per cent a year during 1970-80, the 3.4 per cent it chalked up the later decade is still short of the levels in neighbouring countries. Malaysia, for example, had an '80s growth rate of 4.4 per cent, Pakistan 5 per cent, Indonesia 6 per cent and Thailand an impressive 6.3 per cent a year. Clearly, India needs to get moving. But whether Indian employees will be able to manage that extra return from their employers remains to be seen.

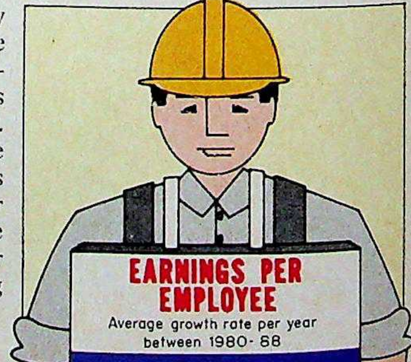


Chart by B K SHARMA

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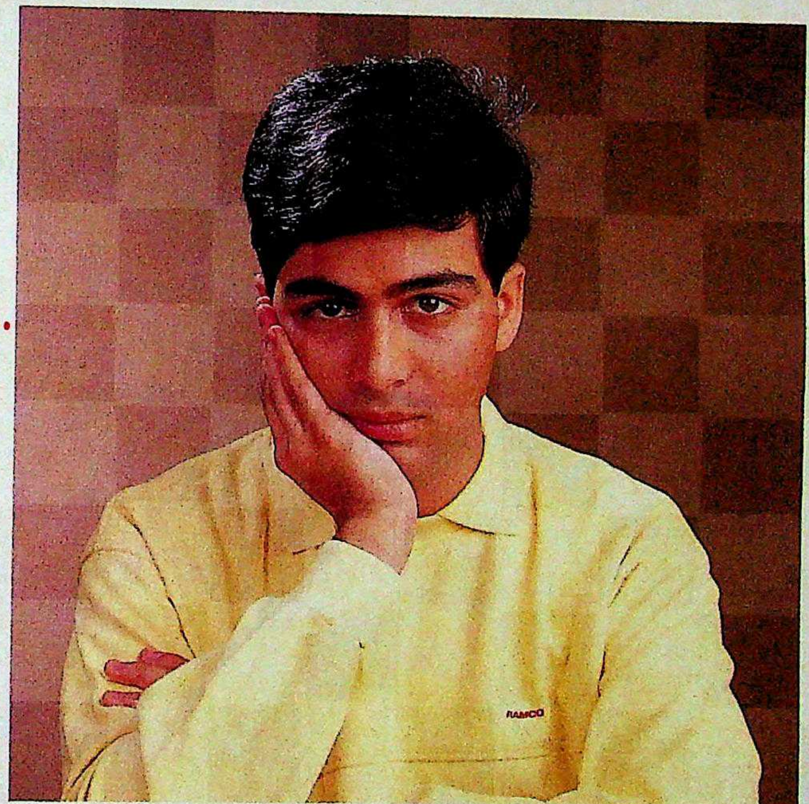

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NEWSPRINT

Crippling Costs

Newspaper industry staggers under the onslaught of soaring prices

IF you import newsprint, you are in trouble. This is the simple and unnerving truth that is hitting home in newspaper and magazine offices across the country.

On July 3 the Information and Broadcasting (I&B) Ministry's Newsprint Price Fixation Committee met and agreed to increase the prices of standard newsprint by Rs 3,000 a tonne, up 23 per cent, and by Rs 4,565 a tonne for glazed newsprint, an increase of 25 per cent, to take into account the impact of devaluation. The industry thought the worst was over. If they only knew.

Another meeting of the committee was called on July 30 and the State Trading Corporation (STC)—which is responsible for importing newsprint—delivered its bombshell. It recommended increasing the prices further, by Rs 4,670 per tonne to Rs 20,670 for standard and by Rs 10,410 a tonne to Rs 34,210 for glazed newsprint. This amounted to an increase of 60 per cent for standard newsprint and 80 per cent for glazed newsprint in a single month. Meanwhile, STC's supplies from stocks would be suspended except for high seas sales. What followed was a hectic round of meetings between Indian Newspaper Society (INS) representatives and the prime minister as also the finance minister, among other key government functionaries, who listened, but offered no relief.

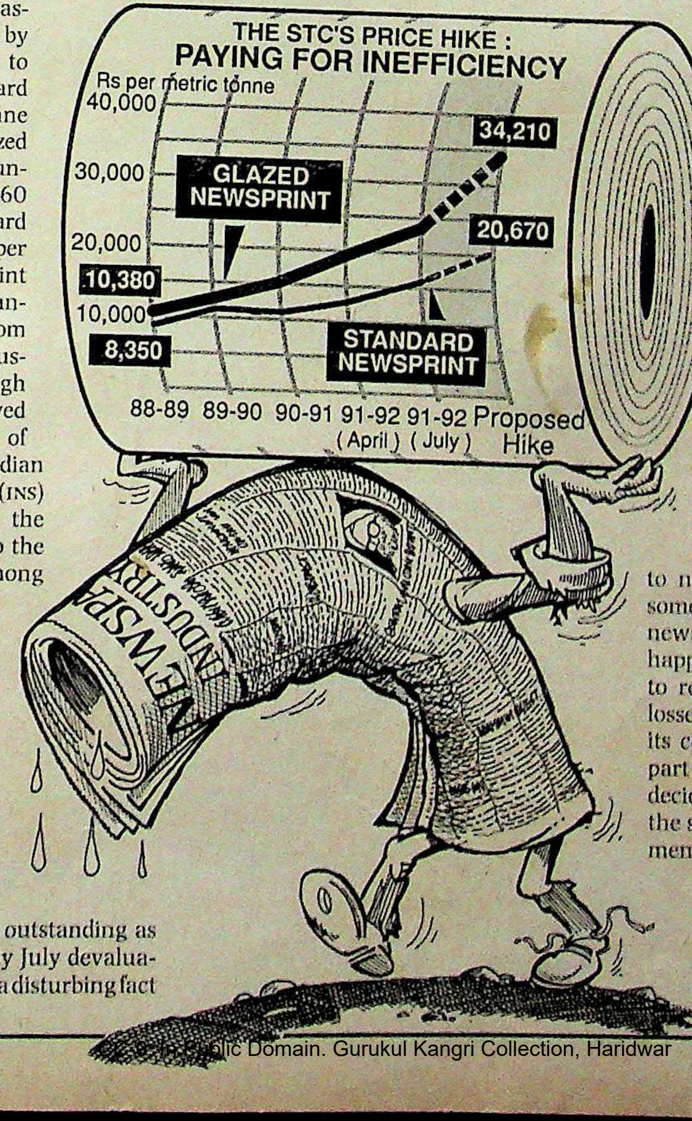
The reason given by the STC for this massive hike was that newsprint was being bought on extended credit, and it was revealed that these amounts, totalling Rs 60 crore, were still outstanding as on the date of the early July devaluation of the rupee. Then a disturbing fact emerged: as the country had no foreign exchange available, the STC took short-term foreign exchange loans to pay its bills and these loans kept being rolled over—or the repayment period extended—from 180 days to 360 days and then, to 540 days. This apparently was done by the STC under instructions from the Finance Ministry, but the rollovers or possible liability was never disclosed to the newspapers, and came as a total surprise. What is more, the STC never took a forward cover on its loans to guard against devaluation of the rupee, so as the currency kept decreasing in value, its liabilities in rupee terms—which it is now trying to pass on to the industry—kept increasing rapidly.

The newspapers' stand is that they paid the STC for the newsprint in advance, according to the established practice—rates are fixed every quarter by the price committee—and therefore, no liability should be imposed on them in respect of earlier purchases. "This is a retrospective levy which we cannot recover from our consumers," says INS President Naresh Mohan. "STC should have covered its commercial risk on loans taken on their own accord, especially when industry was being charged the forward US dollar rate for fixing the price of newsprint in the quarterly meetings of the committee."

The STC's answer is that foreign exchange cover would have been too expensive although they had taken it selectively. Says STC Chairman S.C. Vaish: "In the circumstances we could do nothing else." But the industry says that was the STC's unilateral decision, and the agency must now bear the consequences. In hindsight, of course, with devaluation, this was a costly blunder. And the industry is in no mood to forgive the STC. "The hike is blatantly unfair," says Shobhana Bhartia, executive director, *The Hindustan Times*. "Why should industry be made to pay for the inefficiency and incompetence of the STC?"

But there could be another reason too for the STC's haste in passing on this cost to newspapers. There has been some talk of the decanalisation of newsprint and if that were to happen, the STC would not be able to recover its foreign exchange losses as imports would go out of its control. And that is a major part of the problem. The STC has decided to load this Rs 60 crore on the stocks it has and future shipments, amounting to 1.30 lakh tonnes, but that is only 40 per cent of annual imports. This explains the steepness of the hike. Says an STC official: "If the base tonnage was more,

Chart by JAYANTO



the impact per tonne would have been much less." And, of course, it will ensure that newsprint stays canalised for some time to come.

Besides, all the hard currency of Rs 195 crore allocated for the year has already been consumed, and the industry is likely to face a famine of newsprint by November or December—an import shortfall of 1.6 lakh tonnes, as against the requirement of 3.30 lakh tonnes. And as the USSR is supplying only one-third of the 70,000 tonnes against rupee payment which it promised as part of the Indo-Soviet trade protocol, there is a requirement of another Rs 200 crore in hard currency to fulfil the industry's need for the remaining part of the year.

MEANWHILE, the stalemate between the newspaper industry and the Government continued. The price committee did not provide a solution. The Government had nothing to offer and newspapers were still not willing to accept the price increase. The STC also was not willing to open the sale of newsprint till the new prices were accepted. Says Harbhajan Singh, president of the Small and Medium Newspapers Association of India: "Small newspapers will close without the STC having opened its sale. They have already been closed for 10 days."

The Government, for its part, was busy passing the buck from one ministry to another. Earlier in the week, Commerce Minister P. Chidambaram, under whose jurisdiction the STC falls, had made a statement that newsprint prices were not decided by his ministry but by the I&B ministry. The I&B ministry claimed that they had no control over newsprint prices or supply, and it was only the administrative ministry for issuing of quotas. The provocation for Chidambaram's statement seems to be a peremptory strike to counter talk going round journalistic circles in the capital that as Chidambaram could not fix the media with the infamous defamation bill when he was a minister of state for home in the Rajiv cabinet, he is now out to fix the press through the STC-administered hike. However, there is no truth in this contention as the STC bungling started much before he became the commerce minister—which makes his passing the responsibility all the more surprising.

The Finance Ministry maintained a public silence. Calls were made to the STC by the finance minister asking them not to make any more trouble for him—there is enough on Manmohan Singh's platter. Singh also issued a statement that the matter should be settled "amicably and equitably" to the satisfaction of the industry. The prime minister, although fully briefed by his staff and the industry, watched impassively. Eventually, the hot potato landed in the lap of Cabinet Secretary Naresh Chandra—it was up to him to settle the conflicting claims of the industry and the various ministries. And there is an indication that he may pull it off. According to insiders, Chandra has proposed a way out by suggesting that only half the burden—or Rs 30 crore—be passed on to the industry, and this be spread over a reasonable period of time.

THE NEWSPRINT MUDDLE

- **The STC took foreign exchange loans for newsprint purchases as India was short of hard currency. To stall repayment, it kept increasing the credit period, from 180 days to 540 days.**

- **But the STC did not fully insure against the devaluaton of the rupee, which is a normal practice. Consequently, in rupee terms, the liability on the loan has increased to Rs 60 crore.**

- **The newspaper industry paid for the newsprint in advance and says any liability should now be the STC's, and that rolling over the credit period is a government decision.**

- **The STC claims it's acting only as an agent and the industry must bear the burden.**

The print media, however, remain agitated over the issue. In the present recessionary environment, even big publications and groups do not see a possibility of recovering the cost of an additional, stiff hike in a raw material which constitutes 60 per cent of their total production costs.

Even before the newsprint price hike, the slump in advertising had made things difficult. The Government's tight money policy of raising interest rates for bank loans and cash margins on imports has led to companies throttling back on in-house expenses, putting expansion plans on hold and in many cases—except for such products as soft drinks, air-conditioners and cottons, dependant on summer sales—cut back on advertising. This added trouble to an already unstable scenario. "In 1990," says D.K. Bose, associate vice-president (media) with Hindustan Thomson Associates, "the increase in advertising revenue was entirely inflationary, with no real growth." The trend is expected to continue this year, and the effects are showing up.

The Illustrated Weekly of India has scrapped its colour magazine, which was printed on glazed newsprint, and instead is sticking to its broadsheet format which is printed on standard newsprint. *The Economic Times* has increased its cover price from Rs 4 to Rs 5. *The Hindustan Times* has cut back on its 24-page edition by anything between 4-8 pages from day to day and is contemplating a price hike. The *Indian Express* pulled out its Saturday colour supplement last fortnight. Newspapers are also thinking of putting a surcharge on the advertising rates if the hike—even in a watered down form—is forced through.

"If the STC hike is passed on to the industry, advertising ratios and cover prices will go up," predicts V.G. Jindal, director (corporate) with *The Times of India*. "Readers will have lesser options, and they may opt to buy fewer publications." While this may be inevitable with increasing competition in the market-place, ill-advised moves such as STC's will not only hasten the process, but shake up even stable publications.

The entire situation could get still further aggravated. There is another set of outstanding rolled-over payments worth $93 million, approximately Rs 242 crore at current exchange rates which will fall due in the coming months. In addition to this, Indian newsprint manufacturers are also threatening to increase their prices. This is one overkill the newspaper industry can definitely do without.

—VIVIAN FERNANDES

KUWAIT REMEMBERS AUGUST 2, 1990.

Few countries have experienced, as Kuwait has, such a systematic effort by one nation to eliminate the society, culture and economy of another. By invading Kuwait on August 2, 1990, Iraqi leader Saddam Hussein sought more than just its oil wealth—he sought to eradicate its very identity as a nation.

Suffering

Rarely have a people suffered so much in so short a time, as Kuwaitis did. For almost 1.5 million people, it meant the trials of exile. For the 750,000 Kuwaitis and foreign nationals who remained, it meant seven months of oppression, danger and, for many, torture and death.

Resisting

The Kuwaiti resistance movement never ceased its efforts to liberate its homeland. Engaging in hit-and-run tactics. Giving coalition forces crucial data on Iraqi troop concentrations. Smuggling in money, medicine and arms, and helping hundreds, including foreigners, escape.

Enduring

To survive, Kuwaitis organised their neighbourhoods to provide essential services and food. This sense of common purpose continued into the liberation period.

A heritage in flames

The Kuwait National Museum—the repository of rich Islamic art and culture—was gutted and vandalised. What wasn't looted and carried off to Baghdad was burned and destroyed.

Looting a nation

Iraqi forces went on a rampage of theft and destruction from the moment of invasion. Some said that if they could have rolled up Kuwaiti houses and roads and taken them back, they would have done so.

War on the environment

More than 800 oil wells set aflame. Millions of barrels of oil dumped in the Gulf. Leading to pollution of a terrifying degree that may take years to control.

A Kuwaiti oilfield worker prays near burning oil wells near Kuwait City, that were deliberately set afire by Iraqi forces as they retreated before advancing Allied troops.

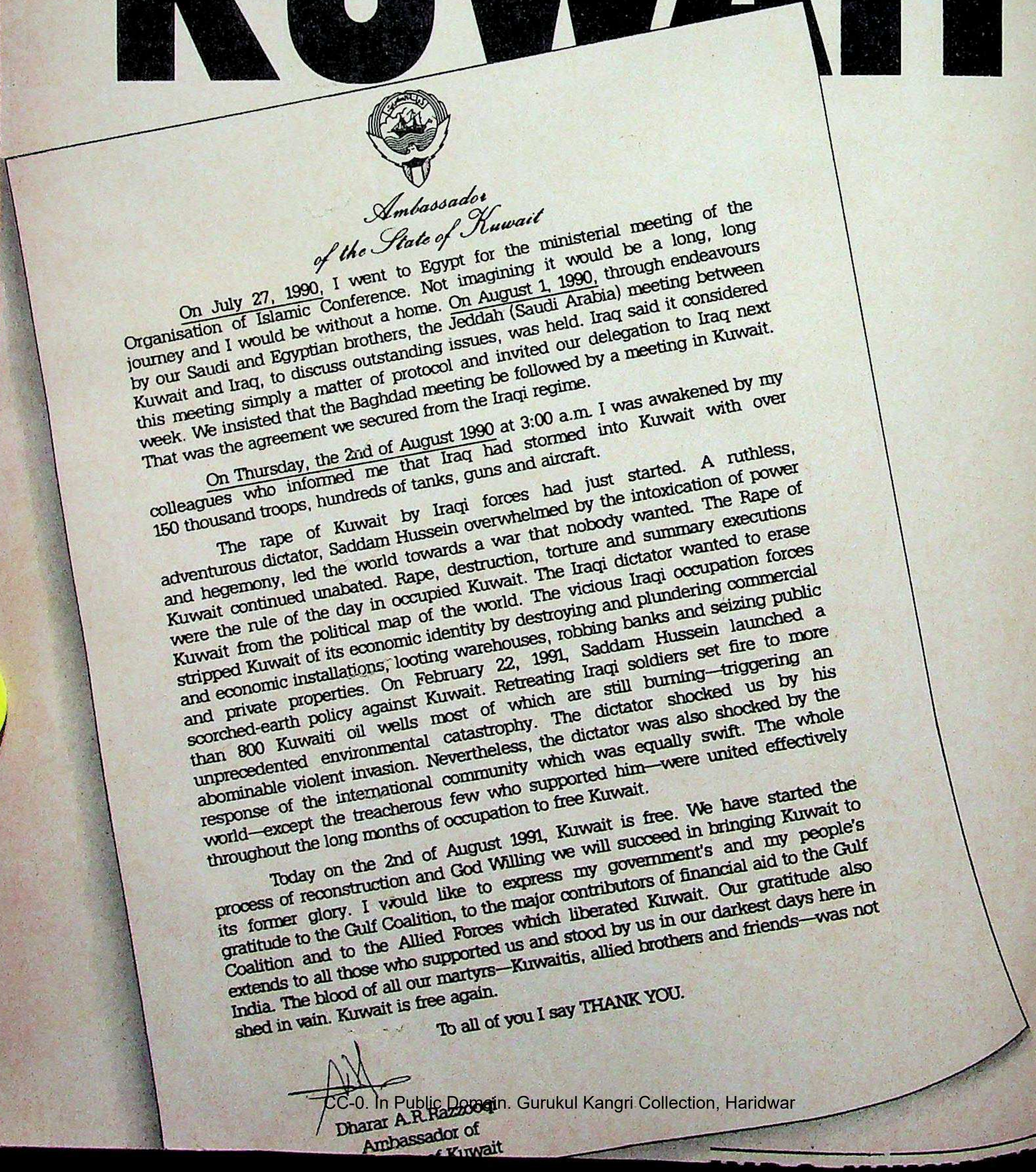
TALES OF SURVIVAL AND DEATH

> “One of the soldiers led us into the squash court, and we saw many Kuwaitis of different ages, ranging between 13 and 45. Some of them had fainted from torture. I sat next to a 13-year-old boy whose body looked blue. I asked him, 'What have you confessed to?'. He said, 'My crime was to shout Allahu Akbar at every oppressor, and I was tortured with electricity for four days. The skin on my back is peeling and I can only sleep while sitting.'
>
> There was another young man who was unable to stand or hold anything because the skin on his hands and feet had split and peeled from being tortured with flame.
>
> Worse than that, I saw one of the young men from the resistance whose finger and toenails had been extracted and whose body was blue from electrical shocks. He had become blind because they had used a kind of caustic substance to torture him. He was barely alive, unaware of what was happening around him. He said, 'Take care of my parents, because I am their only son and they have no one in the world except me.'”

Kuwaiti held during occupation, in testimony to Amnesty International.

AUGUST 2

KUWAIT



Ambassador
of the State of Kuwait

On July 27, 1990, I went to Egypt for the ministerial meeting of the Organisation of Islamic Conference. Not imagining it would be a long, long journey and I would be without a home. On August 1, 1990, through endeavours by our Saudi and Egyptian brothers, the Jeddah (Saudi Arabia) meeting between Kuwait and Iraq, to discuss outstanding issues, was held. Iraq said it considered this meeting simply a matter of protocol and invited our delegation to Iraq next week. We insisted that the Baghdad meeting be followed by a meeting in Kuwait. That was the agreement we secured from the Iraqi regime.

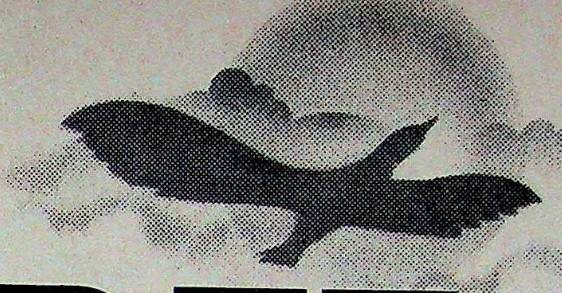
On Thursday, the 2nd of August 1990 at 3:00 a.m. I was awakened by my colleagues who informed me that Iraq had stormed into Kuwait with over 150 thousand troops, hundreds of tanks, guns and aircraft.

The rape of Kuwait by Iraqi forces had just started. A ruthless, adventurous dictator, Saddam Hussein overwhelmed by the intoxication of power and hegemony, led the world towards a war that nobody wanted. The Rape of Kuwait continued unabated. Rape, destruction, torture and summary executions were the rule of the day in occupied Kuwait. The Iraqi dictator wanted to erase Kuwait from the political map of the world. The vicious Iraqi occupation forces stripped Kuwait of its economic identity by destroying and plundering commercial and economic installations, looting warehouses, robbing banks and seizing public and private properties. On February 22, 1991, Saddam Hussein launched a scorched-earth policy against Kuwait. Retreating Iraqi soldiers set fire to more than 800 Kuwaiti oil wells most of which are still burning—triggering an unprecedented environmental catastrophy. The dictator shocked us by his abominable violent invasion. Nevertheless, the dictator was also shocked by the response of the international community which was equally swift. The whole world—except the treacherous few who supported him—were united effectively throughout the long months of occupation to free Kuwait.

Today on the 2nd of August 1991, Kuwait is free. We have started the process of reconstruction and God Willing we will succeed in bringing Kuwait to its former glory. I would like to express my government's and my people's gratitude to the Gulf Coalition, to the major contributors of financial aid to the Gulf Coalition and to the Allied Forces which liberated Kuwait. Our gratitude also extends to all those who supported us and stood by us in our darkest days here in India. The blood of all our martyrs—Kuwaitis, allied brothers and friends—was not shed in vain. Kuwait is free again.

To all of you I say THANK YOU.

Dharar A.R.Razzooqi
Ambassador of
Kuwait



T 2, 1991.

IS FREE

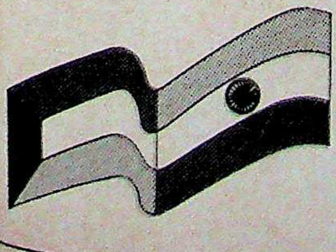
AND RISES GLORIOUS AGAIN

Kuwait is emerging from the shadows of its clean up phase and is beginning to lay the foundations for a new order. There is confidence in the air that belies many problems of the past few months. With the Oil Fires slowly coming under control, attention is beginning to focus on reconstruction of Kuwait's infrastructure and industries. A major priority will be to re-establish an integrated education and training system. Fulfilling the targets for social services, such as education, will be as tough a job as dousing oil fires—and at the end of the day people are more important than oil. Also, the announcement of a general election in October, 1992, re-affirms the Government's already stated commitment to democracy and progress for the Kuwaiti people.

August 2 will forever remain a black day in the history of mankind.

On this solemn occasion we hope and pray that under the enlightened leadership of His Highness Shaikh Jabir Al-Ahmad Al-Sabah, the Emir of Kuwait, Kuwait will scale even greater heights of progress and prosperity.

Kuwait NRI Forum Delhi.



March 14, 1991 The Emir of Kuwait, Shaikh Jabir Al-Ahmad

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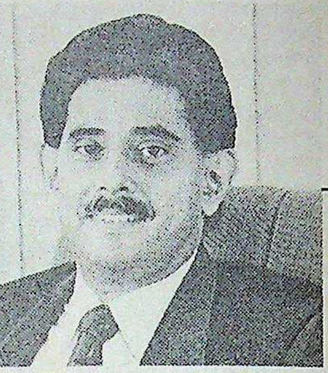

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The Steady Growth

- An impressive increase in turnover from Rs. 38.69 crore in 1980-81 to Rs. 83.71 crore in 1990-91
- A smart improvement of profit before interest and depreciation from Rs. 3.62 crore to Rs. 11.28 crore during the decade
- A significant growth of gross fixed assets from Rs. 15.84 crore to Rs. 28.30 crore is the same period
- Notable achievement in plantation management with yield per acre reaching 1120 kgs in 1990 as against an all India industry average of 690 kgs
- Steady improvement in textile operations through modernisation, reaching a production level of 65 lakh kgs in 1990-91 valued at Rs. 50 crore
- Substantial expansion of fertiliser operations with all round production increase
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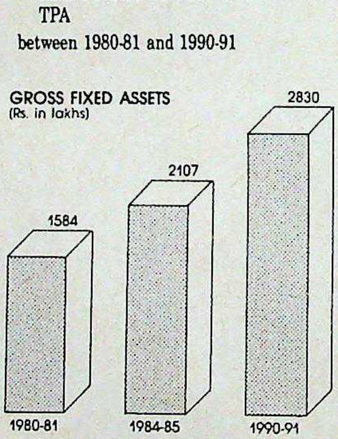
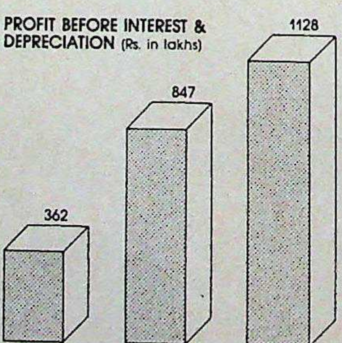
  - Super Phosphate from 35000 TPA to 75000 TPA
  - NPK Mixture from 23000 TPA to 38000 TPA

between 1980-81 and 1990-91



FIGURES FOR 1980-81 & 1984-85 EXCLUSIVE CHEMICAL DIVISION FIGURES SINCE IT HAS BEEN SOLD SUBSEQUENTLY TO M/s. SPIC



FIGURES FOR 1980-81 & 1984-85 EXCLUSIVE CHEMICAL DIVISION FIGURES SINCE IT HAS BEEN SOLD SUBSEQUENTLY TO M/s. SPIC

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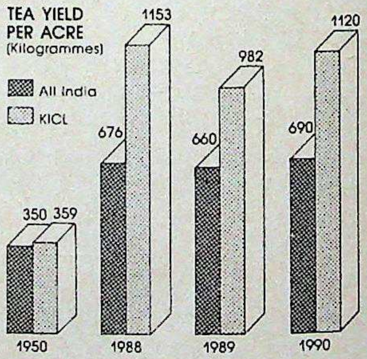

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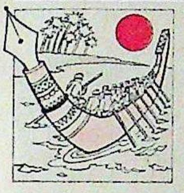
KERALA

The Literacy War

The much vaunted programme falls victim to political squabbling

By SHEKHAR GUPTA



PARTISAN politics is turning the clock back on what should have been Kerala's finest hour. While the rest of the country is still celebrating Kerala's success in achieving total literacy and that too on the strength of voluntary work, while foreign correspondents are still flying in to cover what is being hailed internationally as one of the most successful developmental efforts of all times, the state itself is giving it a quiet burial. The programme has perished, blighted by the most irrational, crass, insensitive and shameful politicking which ensued immediately after the election. The newly elected UDF Government has dismissed the mission as a hoax and no one is talking about the follow-up phase to take the 1.8 million neo-literates to a stage where they can do more than write their names and read destination boards on buses.

Chief Minister K. Karunakaran dismisses the total literacy claim as "a politically motivated hoax. If Kerala had indeed achieved total literacy, how is it that the percentage of invalid votes cast in this election is the highest ever?" he asks and goes on to charge the Left Front with having exploited the programme for political mileage on the eve of the elections. "When people think of someone as a teacher they trust him. This trust was misused for political ends," he charges.

> "The total literacy claim is a politically motivated hoax."
>
> K. KARUNAKARAN
> *Chief Minister*

Karunakaran doesn't say he is stopping the programme. He says he plans to relaunch it after depoliticising it. What that perhaps means is that the predominantly leftist workers of the voluntary organisation Kerala Sastra Sahitya Parishad (KSSP) which pioneered the massive programme will be replaced by Youth Congress(I) workers, going over a ground already covered and re-educating neo-literates. A recipe for confrontation between rival volunteers.

No wonder the Marxist

Literacy class in progress: controversial success

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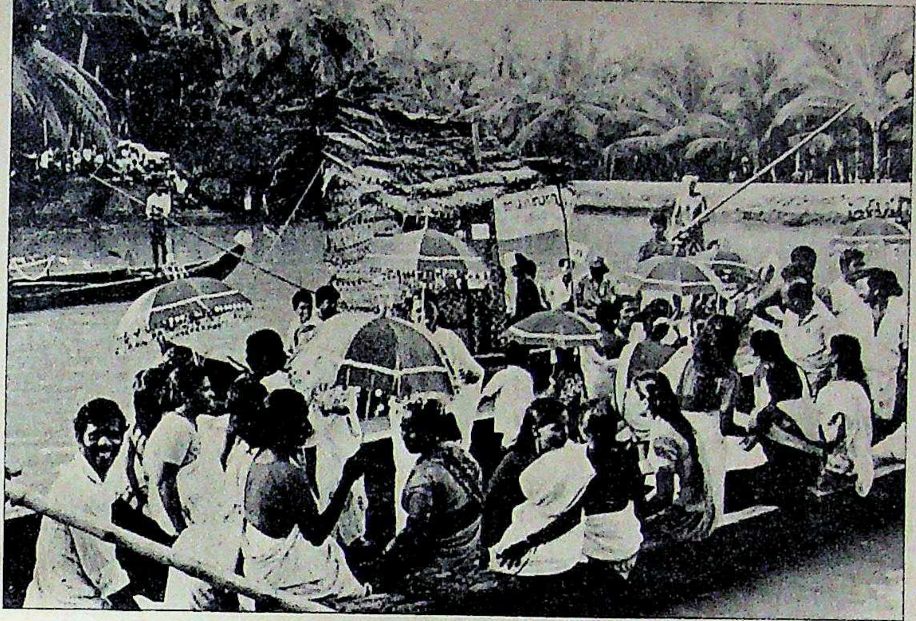

Literacy procession through the back waters: voluntary effort

"Boozers and hoodlums are obviously allergic to literacy."

V.S. ACHUTHANANDAN
CPI(M) State Committee Secretary

patriarch's eyes burn with indignation. Even when E.M.S. Namboodiripad smiles, it is more a smile of scorn. "Do I need to tell you whether the UDF Government is sabotaging the programme or not? Can't you see for yourself?" he fumes. His lieutenants are more forthcoming even if just as scornful. V.S. Achuthanandan, CPI(M) state committee secretary says the UDF is doing exactly what is expected of a party of "third-graders, boozers and culturally degenerate hoodlums who have made even the MLAs' hostel an unliveable place for women legislators, these are people who are obviously allergic to literacy".

Stout defence. But it is this, the political affinity for the programme on one side and the disdain on the other that underlines the tragedy. It is not to say, however, that those who participated so willingly and voluntarily are not to be held responsible for some of the problems.

Since the KSSP's left orientation is well known, a little bit of political propaganda did inevitably become part of the programme. Sometimes the volunteers laced the message of literacy with Marxism. In Ernakulam, the first district in the country to be declared fully literate, District Collector K.V. Rajan, the architect of the literacy campaign, was forced to question the KSSP's methods which he thought were sullying the voluntary, apolitical nature of the mission. He and the KSSP sparred frequently, leading to a break finally, when the parishad got the UNESCO award for literacy, narrowly beating the claims of the collector.

THE parishad resents such insinuations. Says C.P. Narayanan, KSSP executive committee member: "There was no politics. And as for money, the National Literacy Mission laid a norm of Rs 170 to make a person literate. We have done it in Rs 50 per head." Dr K. Ekbal, a former president of the parishad and now a senior neurosurgeon at the Calicut Medical College argues that if the movement was not apolitical it could never have been so successful. Says he: "People took this as an opportunity to break out of social inhibitions, particularly Muslim women."

Indeed, the BJP which makes so much noise about the Muslim League in Kerala being the standard bearer of Muslim bigotry had better send delegations of *swayam sevaks* to Mallapuram to see what its bete noire has achieved. Or at least it should talk to Seethi Haji.

The 59-year-old Muslim League leader and the chief whip of the UDF in the state Assembly is the quintessential product of Indian democracy. A man who barely spent a year in lower primary school, joined politics at the age of 16 and fought his way through mean street politics but now chain-smokes 555 and boasts a fleet of sleek cars in the compound of his impressive house in Endavanna, 20 km from Mallapuram. He is barely literate himself but that, he says, is all the more reason why he wants his people, the backward Muslims of Mallapuram to become literate. Having crossed that rubicon purely through political education, he knows the difference between the two worlds. He personally led the drive in Mallapuram and is emphatic about the future. "I am not stopping the programme here. This has to go on. " Even fellow League leader and Education Minister Mohammed Bashir takes a stand markedly different from that of the chief minister and says: "The programme has to go on, though after reforms. Islam enjoins upon us to be literate."

Whatever the politics, winds of change are already blowing. Notional literacy of this kind cannot bring about social evolution. But as Fr K.V. Paulose, 51, of Kottayam puts it: "When people become literate, they begin to think. When they begin to think, they begin to question." Collectors in Kerala say neo-literates are writing letters to demand better roads and health facilities. Encouraged, Rajan has decreed that he will not respond to any application which bears a thumb mark. If only its politicians had their act together, Kerala today would have been proudly handing over the torch of literacy to the rest of the country.

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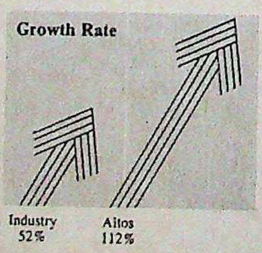

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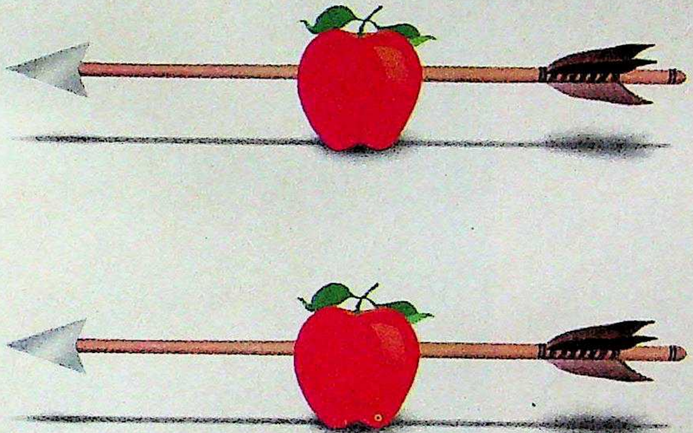
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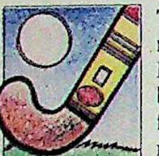
PARGAT SINGH

King of Astroturf

India's captain, an exponent of total hockey, is among the finest players in the world



THIS is the age of megastardom in sport. Mega cricket stars, a beg-borrowed Nigerian football star and two maxi-mega tennis upstarts. "But what about hockey, the national game?" You may ask: "Any stars there?"

Scratch your head. Flip your sporting scrapbook. Hit the archives. Dhyan Chand, Babu, Gentle, Balbir Singh. That's the easy part. Think harder. Surjit, Ashok, Govinda, Ganesh and Ajitpal. That's until 1978. That is when you think Indian hockey stopped producing stars.

Think again. Think of Pargat Singh, at 26 the grand old man and captain of the national hockey team with a sub-22 average age. Last fortnight as he nonchalantly wheeled his luggage trolley at the capital's Indira Gandhi International Airport, the King Azlan Shah Hockey Cup casually perched atop his bags (*see Success Strategy*) marked the arrival of Pargat the star.

Ipoh brought Pargat, for long hailed as world's best full-back and a thinking man's captain, a victory he had wanted so bitterly. Walking out of the stadium after the final defeat against Pakistan at the Beijing Asiad he had made a forlorn, sad figure, stick hanging limply by his side as he clutched his cracked rib. And that's when a Pakistani journalist made the mistake of accosting him.

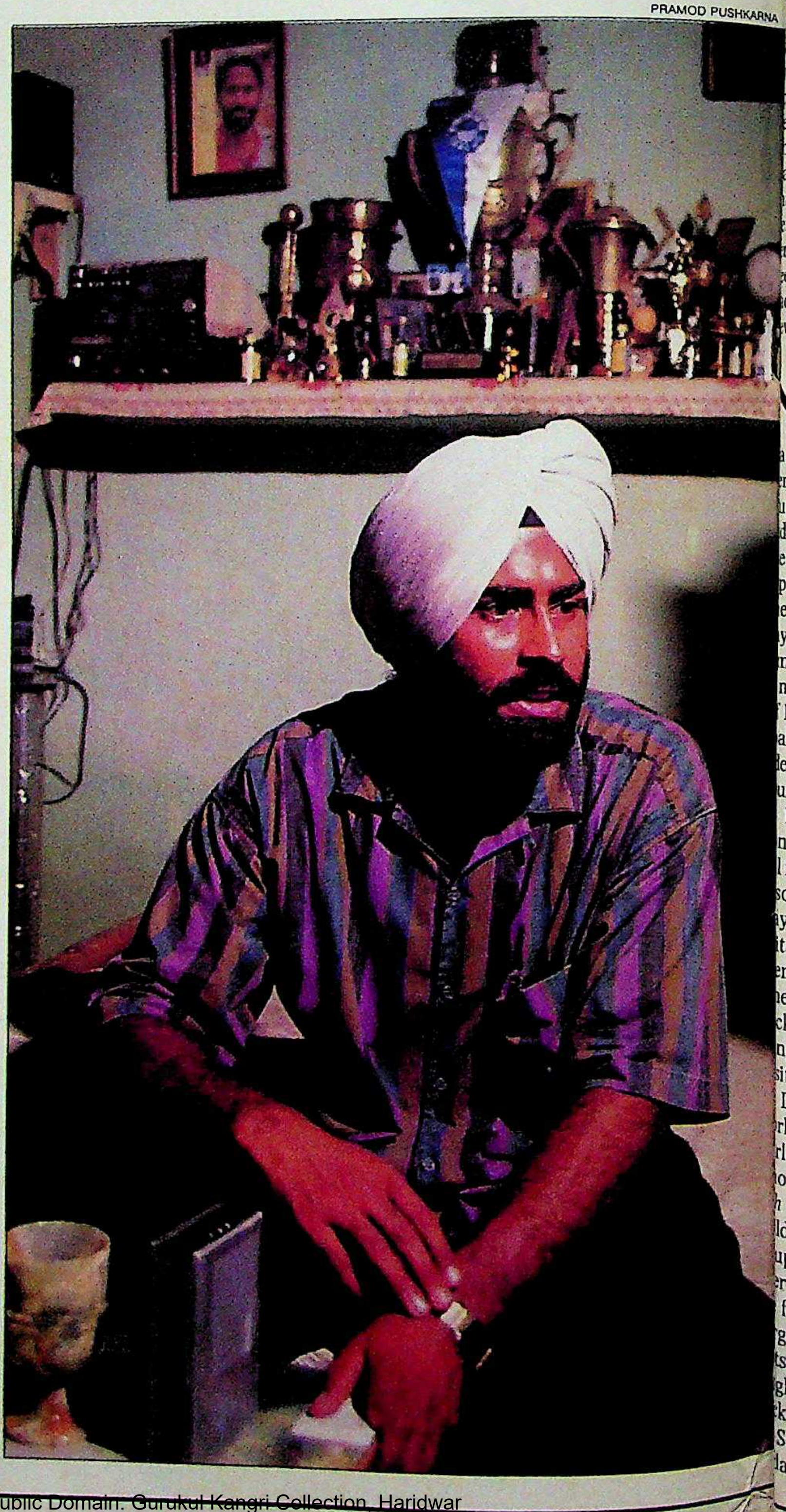
"You erred in playing Jagbir in defence. You should have attacked more," he said condescendingly.

Anger wiped out any trace of defeat and sorrow from the Jat Sikh's eyes. He jerked the stick, glowered at the Paksitani's throat and hissed: "If only I were not injured *phaji* (brother), I'd have seen to it that you wouldn't have won. *Theek hai ji* (Do you understand)?" The Pakistani quickly melted in the crowd.

But that's the Pargat Singh the world has come to know in the eight years that he has donned India's blue jersey with his favourite and "lucky" number 13. Relentless aggression is the hallmark of world's number one defender.

That is how he signalled his arrival. Perth, 1985. India versus West Ger-

PRAMOD PUSHKARNA



any in the Champions Trophy and own 1-5 with eight minutes to go. uddenly, the skinny left-fullback icked up the ball near his own striking ircle and took off. The Germans only opped him by conceding a penalty orner. Pargat banged home. Minutes ter he was crouching again, for a long orner which again sounded the boards, eflected off a team-mate's stick. And hile the pundits were still figuring out ho this No. 13 was, he was already rinting for what is now regarded as his est goal ever. Dribbling from the half- e he dodged four defenders and ammed home. Here was a blitzkrieg at sent the Germans reeling. The rejunated Indians even secured the equali- r in the dying moments in what has en hailed as one of the greatest fight- cks ever. And since then India have ver taken the field without its No. 13.

BHAWAN SINGH

Pargat Singh: streaked lightning

NOW he sits on a cot reminiscing in his village Mithapur on the outskirts of Jalandhar, sipping milky a. "It all happened so fast. Maybe the rmans did not expect it from me." He ughs. He knows that at a time when dian hockey has been declining he is e odd-man-out. "Today," says former ptain and team-mate M.M. Somayya, e is the only Indian who could walk into y world-eleven." His team-mates adore n, most of all the goalkeepers who feel much safer behind his reassuring back. Pargat is not there, I won't keep the al," said a goalkeeper when the hockey eration contemplated dropping a rebelus Pargat last year.

Pargat's trademark is his icy cool, one-handed interception when he, with casual elan, glides in behind an attacker in full fury and wristily steals the ball from right under his stick.

Pargat's trademark is his icy cool, one-handed intercepn when he, with casual elan, glides in behind an attacker in l fury and wristily steals the ball from right under his stick. so, once in possession he does not believe in hitting it out of y even when the chips are down. Many coaches have been tated by his habit—sometimes fatal—of trapping the ball en near his own goal-line and then dribbling it out to eme a move for his own forwards. But Pargat plays total ckey. "Hockey has changed now, *phaji*. Positional play is a ng of the past. Everyone must learn to play in every sition, to attack, defend, everything," he says.

Despite the stardom Pargat is a stickler for training, rking out five hours a day. Each day he can be found at rlton Park astroturf practising with eight to 10 children o line up most willingly to play with the star. "*Das mintan h tuhada jaloos nikal janda hai*" (Ten minutes with these ldren squeezes a lot out of you), he says. His *'coach saab'* upinder Singh Bodhi often comes to the stadium and rwards, sipping tea from the nearby *dhaba* the two discuss finer points of the game, and its future. For Mithapur, gat is the third international hockey star following in the tsteps of former Olympians Swaroop Singh and Kulwant gh Mangur. A visitor simply has to ask for Pargat, the key player, and any child would escort him to his house.

Sometimes coaches have found him arrogant, even ainful. But that is because Pargat shares a predicament that many other Indian stars have faced in their prime, of being the only prima donnas in their fields, burdened with peers who barely rise above mediocrity. Sunil Gavaskar, Vijay Amritraj, Prakash Padukone have all been lone rangers. Terry Walsh, one of the all-time-great Australian forwards, underlines this: "Pargat is a pretty good player—too good for your team actually." No wonder Pargat has often cocked a snook at the officialdom much in the fashion of a Gavaskar or an Amritraj. And with greater justification. Because hockey players are treated not much better than peons by the game's establishment. For the Ipoh tournament the players were given a per diem allowance of $10 and were not given a doctor, forcing them to seek help from rivals' medics when injured. Pargat is peeved. "Even Kapil Dev once told me, 'If you take the money and publicity out of cricket, am I mad to play the game?'" The welfare officer at the Railway Coach Factory, Kapurthala, cannot understand why a Ranji-level cricketer makes more money than him. Once asked why India couldn't find a better left-winger he said cynically: "*Munde aan kitthhon? Hockey hun khed-da kaun hai?*" (Where will the boys come from? Who wants to play hockey these days?) He says the "sentiment of merely playing for the country is outdated". People who believed in this in their heyday are spending the evenings of their lives in penury. "Today, *phaji*, everyone is concerned about his own future."

But make no mistake on Pargat's patriotism. Or his sense of humour. During the 1990 World Cup at Lahore, when the Free-Kashmir *jehad* in Pakistan was at its peak and the Indian team was barracked with abusive slogans every day, a waiter walked into Pargat's hotel room and offered Kashmiri *kahwa* (tea). "We better not have your Kashmiri tea, " Pargat said with a sneering glance, "for then you will ask us to give you Kashmir. And that we are not going to give you, whatever happens. *Theek hai ji?*"

—SHEKHAR GUPTA with W.P.S. SIDHU

HOCKEY

Success Strategy

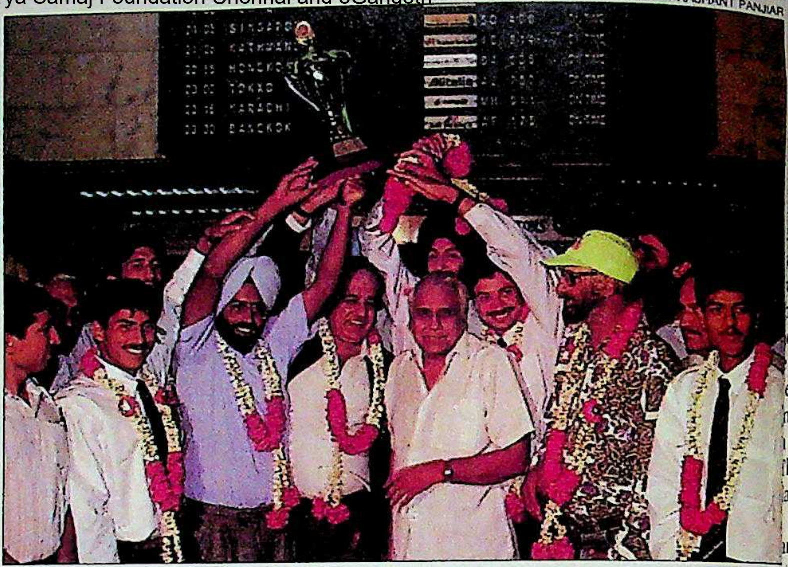
Ipoh win revives India's Olympic hopes

FOR a team for which defeat has been a constant mate, victory even at a clash of also-rans teasingly revives memories of gold and glory. So it was when the Indian team on the humiliating trudge to qualify for the Olympics won the Six-Nation Azlan Shah Hockey League Tournament in Ipoh, Malaysia, last fortnight. Sweeter than the cup was the 1-0 defeat handed out to Pakistan. "The team is finally coming into its own," said coach Balkishen Singh.

Being first in a field containing Pakistan, Malaysia, Soviet Union, South Korea and New Zealand may not enhance India's position in world rankings but it provides a tremendous leg-up for a team that finished 12th in the 1986 World Cup at Willesden, London, 10th in the 1990 World Cup in Lahore and then lost to Pakistan in the Asian Games final thus having to qualify for the Olympics.

But the team seems to have shrugged off the bad memories. "Why the pre-Olympics, we will have a go at the Olympic medal," said a euphoric captain Pargat Singh on his return from Malaysia. The team beat all the three other major contenders who will vie to finish at the top four at Auckland i September in order to qualify for th Olympics at Barcelona.

They should have no problem if the continue to maintain the form the showed against Pakistan, a typicall fast, mercurial subcontinental trial o strength where no quarter is given. Th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rwards were finally moving at the ght pace, blitzing the weak Pakistani efence, for long coach Islahuddin's chilles' heel. Winger Mukesh Kumar, 1, who scored the winning goal was enacing in attack.

The success pivoted, as is mostly the se with Indian hockey, on the mideld. Shakeel, Sukhjeet Singh and arpreet Singh added pace to the forard line and were quick to fall back. he Pakistani forward line did move like e five-man cavalry they are known to but there was no breaking the will of e defenders, backed up by Pargat ngh behind the '25' who has found able partner in Jagdev Singh. The Indians were truly outstanding," ahuddin said.

Under the new scheme of things, the am enters the field with four forwards stead of the traditional five with the h, Jude Felix, playing as a withdrawn ward. The logic is simple. Since India es not have forwards as mercurial as Pakistanis, there is no point crowd the frontline and leaving the defence n. Felix, the master-schemer in the dfield, seems to be enjoying his new he as the scores of moves scripted by n in the tournament show.

Most significantly, the Ipoh meet was the testing ground for coach Balkishen Singh's pet fixation: total hockey. The theory is simple. Artificial surfaces provide true bounce and great pace and each player should be capable of attacking or defending. At Ipoh Indian forwards fell back to defend and the defenders moved up when there was an opening. India managed to hold on to the ball for 62 of the 70 minutes in the first match against Malaysia.

SUNDEEP MISRA

Winger Mukesh Kumar: super show

There were other reasons for satisfaction. Terry Walsh, the dread of many an Indian defender in the past as spearhead of Australia's best ever forward-line and now Malaysian coach had predicted his boys would beat India, marking the eclipse of Indian hockey. Now, beaten 1-4, he was eating his words: "This is a new-look Indian team. They have some really skilful players, especially Mukesh."

If the team displays the same form in Auckland, India should finish among the top four and qualify. But problems remain: Jagbir Singh has been missing too many sitters, Edgar Mascrenhas has been patchy and it is unreasonable to expect Mukesh, Felix and Dhanraj Pillay to carry the attack entirely on their heels, no matter how swift. And some players still haven't got over their tendency to cling on to the ball.

But what the team, with an average age of less than 22, now needs is the one quality Indian hockey has lacked for a decade: the confidence to win. Ipoh should at least clear some of the defeatist cobwebs from Indian minds.

—SUNDEEP MISRA in Ipoh

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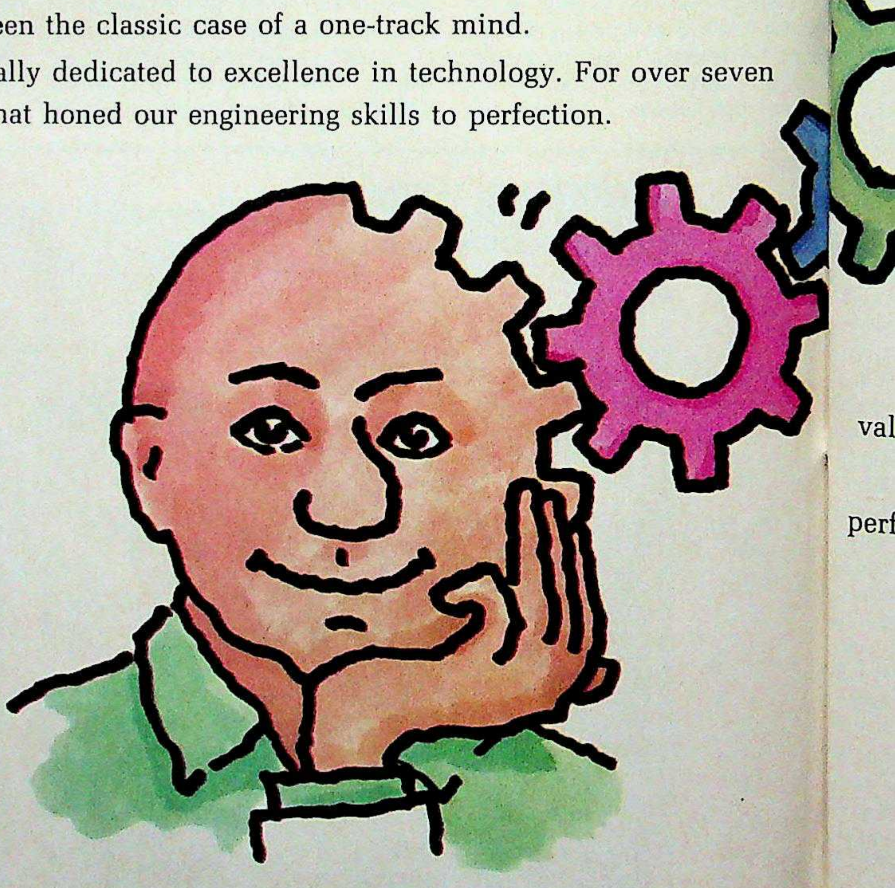

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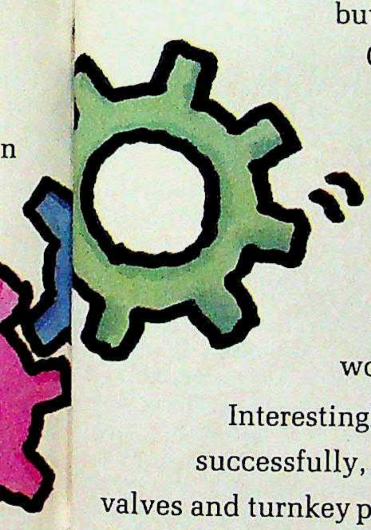

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Dangerous Duplicities

TARUN J. TEJPAL

THE most revealing thing about l' affaire Sonia Maino Gandhi is not to be found in the illumination it casts upon the weak knees of our political leaders. Neither in the pathetic opportunism it etches out in relief. Nor in the tedious warning it winks forth on the diabolism of dynasty. Sycophancy and venality are, after all, Putana's poison paps at which our politicians daily suckle; and what is accepted nourishment can hardly appall. As for dynasty: feudal instincts are not unique unto us; and world-wide aggrieved women have ridden the glory of their genes to the summits of power: Evita Peron, Cory Aquino, Benazir Bhutto, Sirimavo Bandaranaike. Refined company, fit for even those with icy reserve.

It is not immoral meanderings that the ongoing Sonia saga illustrates, but the play of illusion in our lives. The hypocrisy we practise; the dualism that cleaves us. It is truly amazing that Sonia should repeatedly declare, without a hiccup of hesitation, that she does not wish to become a politician, and yet none should believe her. That her refusals should be disregarded like Caesar's at Lupercal. It is telling evidence that we expect every face to have a touch of Janus. That we assume a chasm between the said and the done. That we expect to hear a language of self-denial and altruism; but to see an action of corruption and greed.

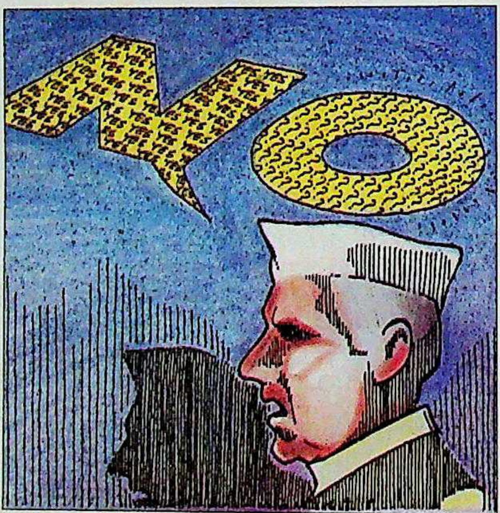

Illustration by JAYANTO

So arch dissimulator V.P. Singh could iterate in August 1988, "I had stated in the past that I would not accept any post in the Government in future. I stand by that"; and in November 1989 don the prime ministerial cloak. Nor is he alone in this prevarication. Chandra Shekhar, the ostensible caliph of candour, declared in August 1990: "Ambition does not mean to be prime minister at any cost." And then went on to form, barring perhaps Charan Singh's, the most opportunistic government since Independence. The Chaudhary himself could, in May 1977, assert: "I wanted Mr Desai to be prime minister and I will be the last person to do anything to remove him." And a few weeks later begin a shameless play for the prime minister's post. In fact, no politician appears to want power, and yet everyone is ruthless about obtaining it. The legacy of Mahatma Gandhi marks our pores.

For Gandhi, self-denial was not only a means of acquiring moral authority, but also a political instrument in the non-violent ousting of the British. With his characteristic mix of canniness and instinct, Gandhi knew that self-denial was a principle that would capture the imagination of a people subliminally fed on the glorious philosophy of Vedanta. For in Upanishad after Upanishad, the path to salvation, light and love, 'narrow as the edge of a razor', is paved with the act of self-denial. In the *Brihad-aranyaka*, Yajnavalkya instructs Janaka, king of Videha: "And a hundred times greater than the joy of the Lord of Creation is the joy of the World of Brahman, and of him who has sacred wisdom, who is pure and free from desire. This is the joy supreme, O king."

A seeker after Upanishadic wisdom, Gandhi worked ceaselessly to free himself of desire. In his autobiography he wrote: "I must reduce myself to zero. So long as one does not of his own free will put himself last among his fellow creatures there is no salvation for him." And aware that the Hindu had always revered *rishi* over *rajan*, ascetic over emperor, Gandhi was goaded by the pragmatist in him to eschew all posts. Barring 1924, Gandhi led the Congress and the country without formal portfolio. The sentiment spread. The mean and mighty practised self-denial. In 1939 Subhash Chandra Bose defeated Gandhi's candidate for the Congress presidentship, Pattabhi Sitaramayya, but quit the post in deference to the Mahatma. In Indian politics, self-denial became not only noble but necessary. The seeds of parody were sown. For Gandhi self-denial was both a public and private virtue; the leaders to come would learn the pose but lack the substance.

THIS skewing of Gandhi's legacy is brought alive by R.K. Narayan in *The Vendor of Sweets*. His hero Jagan is the owner of a sweet shop with a growing hoard of black money at home. Yet he is a fervent Gandhian, obsessed with the idea of purity. He is honest with his customers; but he cheats the Government. In absolution, the novelist explains: "If Gandhi had said somewhere, 'Pay your sales tax uncomplainingly', he would have, but Gandhi had made no reference to the sales tax anywhere to Jagan's knowledge." Purity has become the face; corruption has claimed the heart; a deception has been set up.

The deception is understandable. The absence of desire rests uncomfortably with the hedonism of modern times; and since we cannot be honest about our material ambitions as in the West, lip-service to self-denial becomes a means of expiation. The deception is accommodated.

But it is not an innocuous accommodation. It is an illusion that can muddle our reading of reality. It can become one of our dangerous duplicities. In one of his characteristic scalpel jobs, V.S. Naipaul points out this quality in our ancient concept of dharma: "Yet dharma, as expressed in the Indian social system, is shot through with injustice and cruelty....It can accommodate bonded labour as, once, it accommodated widow-burning. Dharma can resist the idea of equity." Similarly, the deception of self-denial can resist the idea of fairplay; it can legitimise all deceit and dishonesty; it can confound our moral antennae till right and wrong cease to be even the subject of discourse.

It can lead us to completely disbelieve Sonia when she says she doesn't want to join politics. Lead us to write reams and talk streams on the kind of leader she will make.

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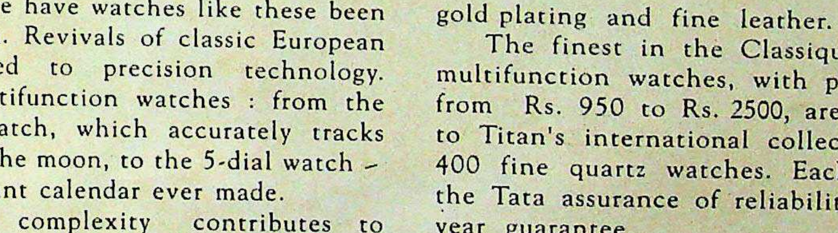

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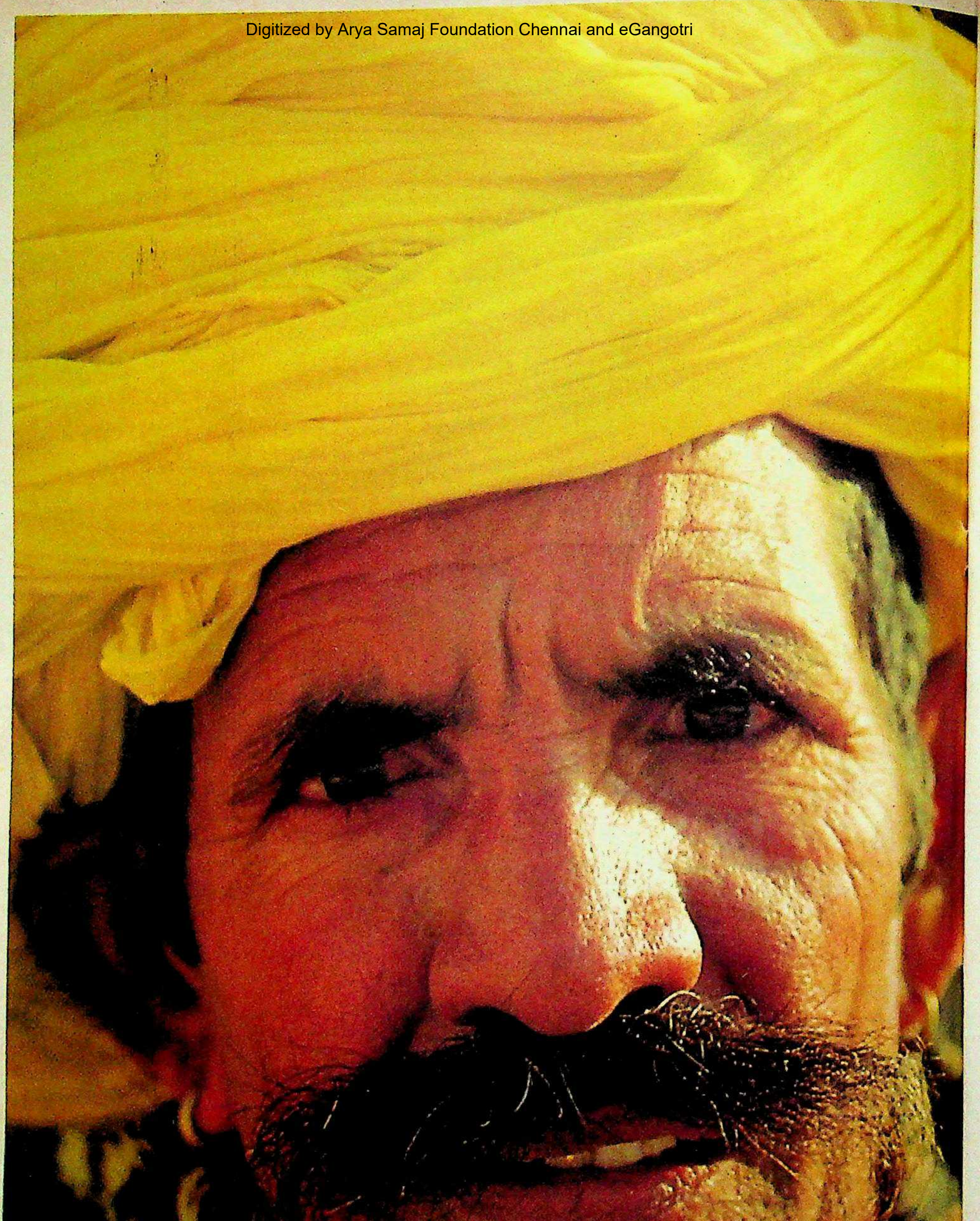

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In India, thousands of villages have yet to be connected to a telephone. The panchayats are doing their best. But the cost of providing a telephone goes up when the subscribers are few, far removed and dependent on land-based technology. Now Motorola has an alternative: the cellular technology. It works on the wireless principle. So there is no need to lay cables. Which means that the sarpanch and his people have a greater opportunity to install a phone for the village. At Motorola we have many such advanced solutions that can better the human experience. So that high technology isn't just relevant to industry. But also to every Indian.

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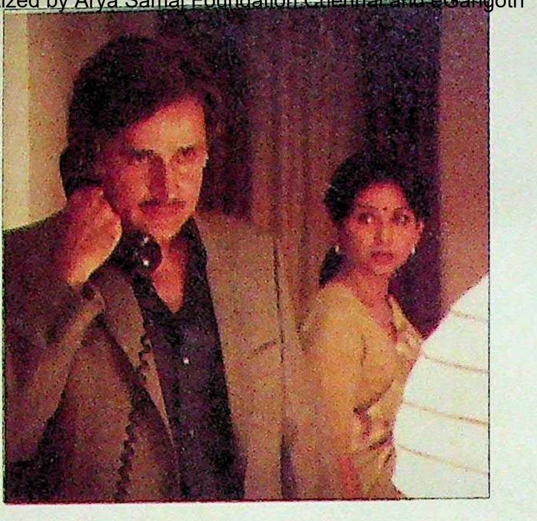
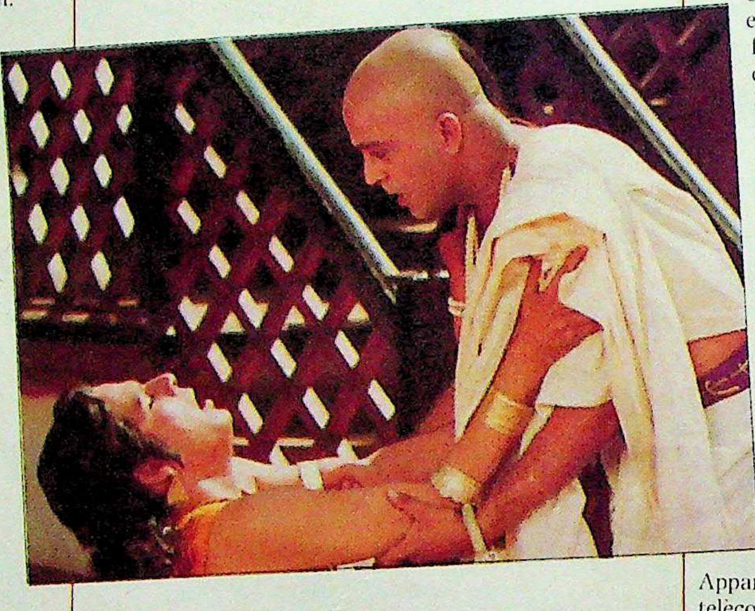
◆ The offscreen soap opera continues. At last count, there were 25 bids for the second channel which has been offered to private takers. "Anybody with a letterhead and a telephone thinks he's a contender," says an official. From big-time tycoons who want week-long coverage to those like ITV who have bid for weekend programmes and one entrepreneur who only wants to use the channel to supply Tamil programmes. Jumping the big guns is an enterprising bidder who wants to be the sole agent for marketing the channel.

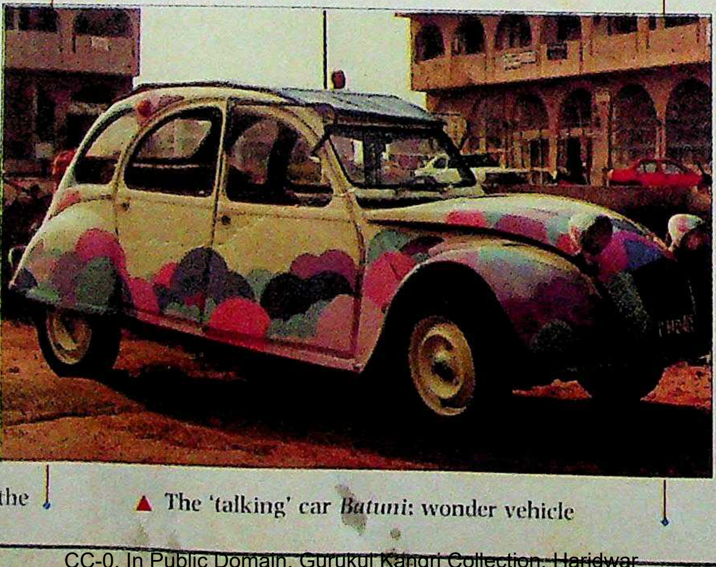
◆ The story of the journey of the film *New Delhi Times* to the screen is worth a film in itself. The movie was scheduled for early 1986. But it was mysteriously yanked off the air and the press went to town on it. Last fortnight the censor was sneakier. The film was screened, but with only three seconds of the pivotal communal riot scenes. With the crux of the film snipped off, it is just another love story. And the politicians can feel smug in their Gandhi caps.



▲ Shashi and Sharmila in *New Delhi Times*: watered down



▲ Moutho and Sharma in *Chanakya*: facing trouble



▲ The 'talking' car *Batuni*: wonder vehicle

◆ Those wondering about a hallucinogenically painted little Citroen (the two-horse power French car which looks like a cross between Donald Duck and a Volkswagon) wandering about Delhi will soon know. This car is the heroine-to-be of the new series. *Batuni* by Colonel Raj Kapoor—the *Fauji* man. And she's a talking car, a sort of *Herbie Goes Bananas* in Delhi. Propaganda is the Trojan Horse for DD. So, it prevents the real estate dealers of the big city from eating up the village. But village over city is not the heart of the matter. It's fun and comedy as the car goes about beating up the baddies.

◆ Chanakya may have been the wiliest politician in his times. But the television *Chanakya* seems to be having trouble getting his act togther. This magnum opus—Rs 10 lakh per episode—is supposed to follow *Tipu Sultan*. But a court case—Rajiv Singh has sued producer Dr Chandraprakash Dwivedi for taking away his directorial rights—has tripped him. DD have their fingers crossed because it won't be easy to find *Tipu*'s successor.

◆ Sam's playing it again. But this time he's aiming for the skies. Sam Pitroda is looking those dishes in the eye. Apparently, the secretary, telecommunications, will take a second look at the Damodaran Committee report on cable television which suggested prohibiting those receiving programmes from dishes from re-distributing them. It had also recommended setting up a national cable authority. The Telecommunications Department is all for the growth of cable TV. So, it looks like those aliens in the sky might just be allowed in, legally.

—MADHU JAIN

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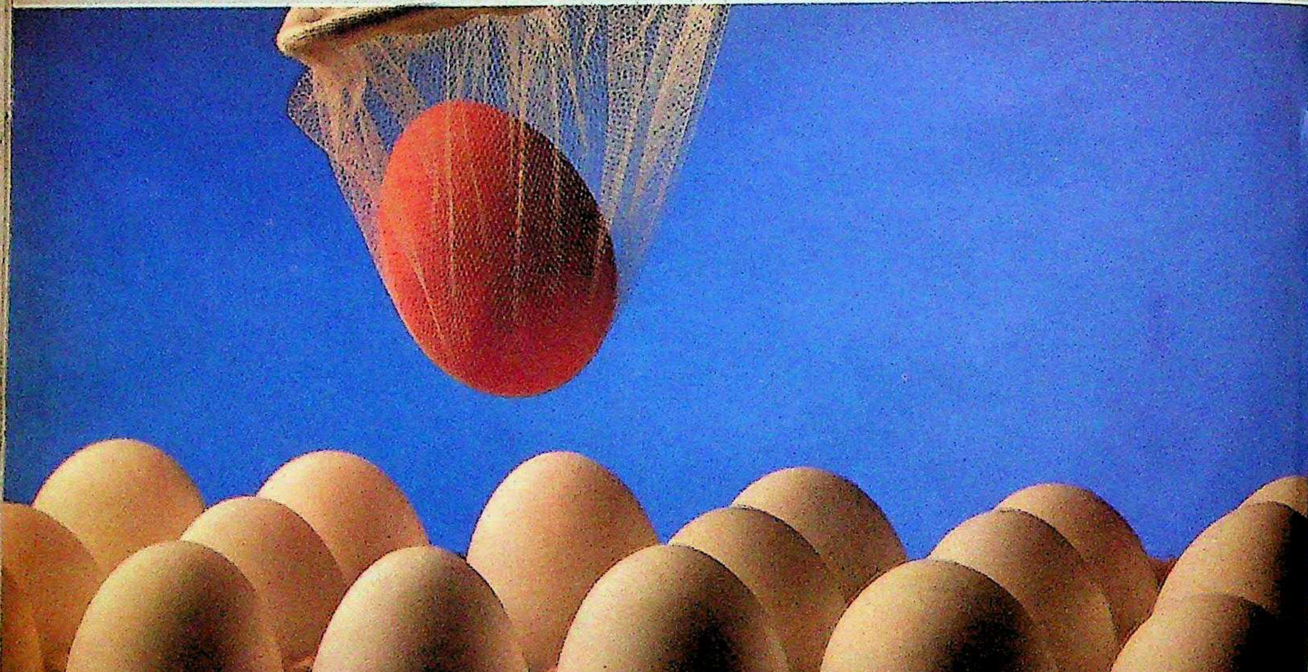

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RAJ KUMAR

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Proposed site of the cement factory: local resistance

SAVING A SANCTUARY:

The Gujarat Ambuja Cements Ltd aims to exploit the rich limestone resources in the Darlaghat hills in Himachal Pradesh by setting up a cement plant. The proposed site for the Rs 270-crore plant is within the Darlaghat Wildlife Sanctuary. The Government has denotified the sanctuary. A total of 448 bighas of land belonging to six villages will be acquired, aside from 1,500 bighas in the Kashlog village area. Environmentalists point out that cement plants are listed among the 17 most polluting industries. "Wildlife in the sanctuary will vanish," says D.R. Dhiman, retired conservator of forests. The villagers are demanding Rs 2 lakh per bigha for cultivated land as compensation instead of the Rs-25,000-per bigha being offered. They've also formed a Kisan Sabha and moved the high court. The Government has constituted a committee to examine the issue.

MILOON KOTHARI

Human settlements: destructive encroachment

PARKS IN PERIL:

The Wildlife Protection Act 1972 was hailed for creating national parks. But two decades later, all is not well with its creations.

Studies of two parks—Rajaji Park in Uttar Pradesh and Sariska in Rajasthan—reveal that neither is notified and therefore are not legally 'national parks'. Both parks are also inhabited by people, who resist eviction.

The villagers, dependent upon the resources of the parks, spell doom for the wildlife. The tiger population at Sariska plunged from 45 in 1988 to 19 the next year. And the leopard population dropped from 47 to 28 in the same period.

A study has suggested creating a buffer zone and a core zone in each park. While the core zone would maintain the ecology of the area, the buffer zone could be managed by forest officers and the inhabitants. Thus the resources from the buffer zone could be used by the locals to survive.

But the hitch is that the Wildlife Protection Act forbids humans from inhabiting the park area. So till it is amended, these solutions will remain merely on paper.

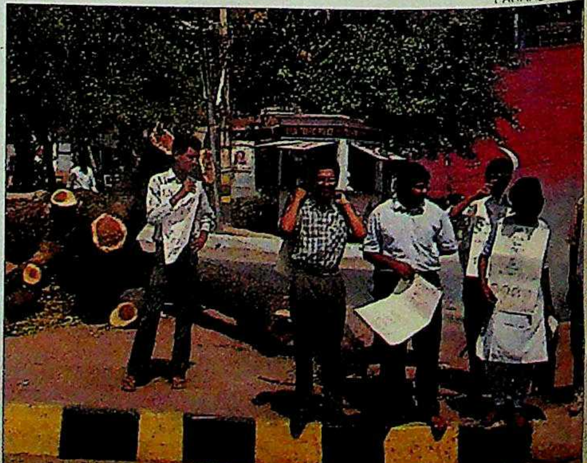
DETERMINED DESTRUCTION:

Government agencies are making a determined effort to destroy New Delhi's lung, the ridge forest. DESU dug up the fragile forest in the northern part of the ridge to build transmission towers, without getting permission from the Environment Ministry. Members of Kalpavriksh, an environment group, prevented the digging, and finally got it stopped temporarily.

Meanwhile, the DDA is building a road through the southern part of the ridge, called the Jehanpanah city forest despite a Supreme Court stay order. Near IIT in south Delhi, the DTDC, which has been cutting down trees to accommodate a flyover, had to face resistance from IIT students and environmentalists who got the Environment Ministry to issue a fiat against the felling of trees. They argued that the alignment of the flyover could be altered. But DTDC carried on relentlessly. Finally, last fortnight, the administration terminated the felling. Laments a member of Kalpavriksh: "What is the point of the Government promulgating laws when its own agencies violate them?"

Students at IIT crossing: small success

FARHAD VANIA



Compiled by W.P.S. SIDHU

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Daag (1952)
Bluff Master (1963)
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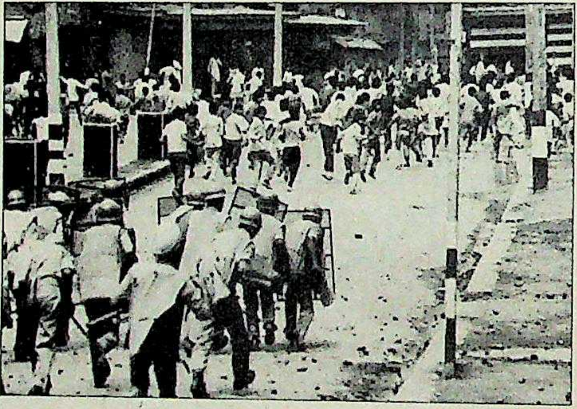
MEDIAWATCH BY S. NIHAL SINGH

Misreporting a Crisis

A committee appointed by the Press Council of India to investigate the role of the press and the authorities in Kashmir and the alleged excesses committed by the army has given the last a clean bill of health. "The Indian Army," it says, "has, all things considered, emerged with honour." But the committee, whose credibility was enhanced by the presence of the respected journalist B.G. Verghese, sings a different tune with regard to the media.

The Indian press has failed to give a true picture of events in Kashmir, not wilfully but by its "somewhat casual and ad hoc approach", according to the report. This is a serious charge. Is it true?

Let us take a look at events in the troubled state where work conditions for the press are devilishly difficult. In January 1990, the international press was bundled out of Srinagar. The Doordarshan station director, Lassa Kaul, an Information Ministry official, P.N. Handoo, and the editor of the local daily, *Al Safa,* Mohammad Shaban, were murdered. Representatives of the national newspapers, PTI and UNI, and the news units of Radio Kashmir and Doordarshan were pulled out of the Valley.



MEHRAJ-UD-DIN

Suppressing truth is worse than exaggerating it. Yet a responsible press owes it to society not to idolise men whose conduct is reprehensible.

While the Government's action represented a collapse of will, the national newspapers did little to enhance their credibility. PTI said its Srinagar correspondent left "out of threat of violence and difficulty of operating a news agency". When the national newspapers gradually started their trek back, PTI and UNI simply promoted their technicians-cum-sports reporters.

Two questions arise out of this saga. One is the perennial dilemma of the press the world over, to report fairly in a situation where militants are waging psychological warfare, disinformation campaigns and resorting to coercion to further their cause. Second, we have the inherent weaknesses of the Indian press, magnified by the nature of the Kashmir crisis.

Taking the second aspect first, the Indian press invariably comes a cropper in any difficult situation requiring experienced reporters sifting evidence meticulously before filing reports. *The Hindu*, going by the testimony of its news editor, has remained content with publishing both the official and militants' versions. A story of alleged excesses by the security forces, blazoned across the pages of *The Illustrated Weekly of India*, was found to be insufficiently researched and the handiwork of an inexperienced reporter.

The moral of the story is that even major newspapers pay little attention to getting experienced reporters to spend the required time and money to research stories for sensitive areas like Kashmir. The richest pickings are to be had in reporting and speculating upon the minutiae of politics and politicians. Reporting Kashmir fairly, which requires courage, experience and hard work, is left in the care of stringers or young reporters whose enthusiasm is often not commensurate with the demanding assignment.

The committee makes two harsh but just indictments of the press. "...The national newspapers...cannot opt out of difficult situations," it says, "but should find ways and means of pursuing major stories or trends and getting nearer the truth". Second, the committee commends the media's watchdog role, but suggests that they "have an obligation to be far more rigorous in piecing together information and publishing what might pass off as hard findings".

Kashmir has brought us face to face with a universal problem. Is the media magnifying a crisis by giving publicity to militants, secessionists or kidnappers? A responsible press owes a duty to society, the nation and the world not to idolise men whose conduct is reprehensible by any civilised yardstick, whatever be the cause they are fighting for.

The committee has done well to point out that the phase of lionising the militants was "media practice rather than necessarily anti-national activity". The result proved tragic for the freedom of the press. In its view: "A carefree and possibly careless liaison (between militants and the press) to mutual advantage involuntarily graduated into an unequal and overbearing relationship that few dared challenge...Several journalists told the committee that they could not write freely and continue to live in the Valley. There is fear of the gun."

So where do we go from here? The committee has suggested that the authorities appoint a senior official constantly available to the press in Srinagar to cross-check reports, and that the paramilitary forces should scrupulously honour curfew passes in the state capital. For its part, the press needs to ponder over the lessons the Kashmir tragedy has brought home. There is no substitute for professionalism and the willingness to spend money to make the press worthy of its high calling.

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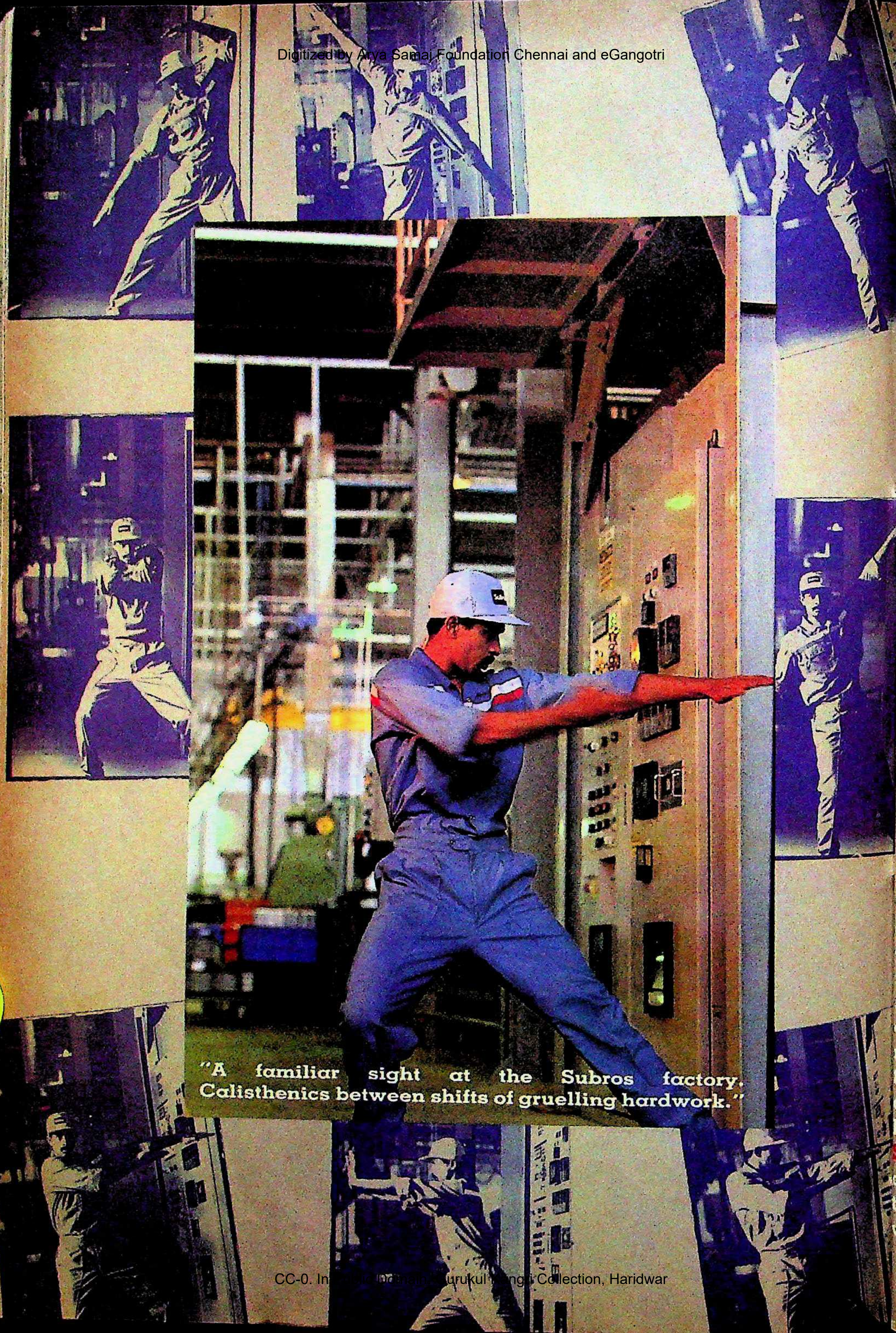

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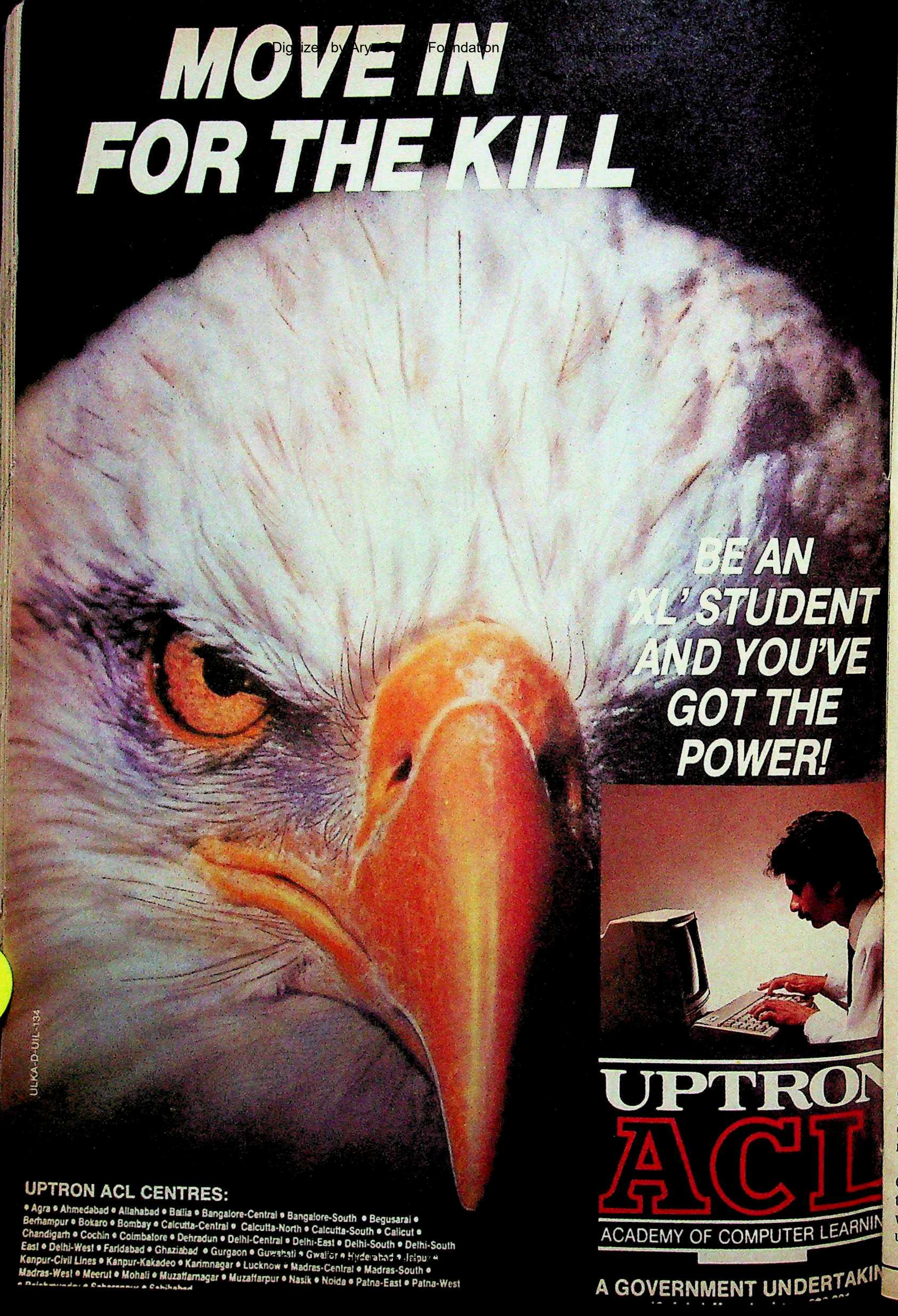
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Nuclear Realpolitik

We must not knock the theory of regional non-proliferation for south Asia on the grounds that only a global approach makes sense; but on the grounds that proliferation has occurred beyond the point of no return.

RECENTLY, the US Congress took the first step towards making the Pressler Amendment applicable to India as well as Pakistan. In reporting this, the Indian media displayed some surprise and consternation. After this first gasp of horror, the reaction has been low-key. India and Pakistan being in a US dock together is a piquant situation indeed! That the US Congress has no god given right to selectively impose this kind of penalty on India or for that matter on Pakistan, while ignoring say, Israel; that it is a long way from becoming the law; that the US is not in favour of it; none of these are material for an analysis to discover how this came about. Such an exercise is essential to help us orient our future policies towards the US and Pakistan.

China exploded its first nuclear device in 1964. India, which already had a peaceful nuclear programme underway, decided to master the technology of nuclear explosions. However, this was not made with any sense of urgency. Some of the opiates which aided this lethargy should be identified. One was, the gut-abhorrence of nuclear weapons engendered by Nehru's idealistic pleas for universal nuclear disarmament. India had not learnt to keep ideological goals which were distant, separate and distinct from mid-term realities and goals. Witness the sophistication of China. Mao spoke against the nuclear weapon, calling it a paper tiger. He however pressed on to get the capability to field the same paper tiger! The second factor which reinforced this Indian tardiness was the hope that there might be a softer option. May be a big power nuclear umbrella; may be, it was a bad dream and if we fall asleep again it might go away; who knows, the Chinese may never succeed; they may be stymied by the US or the USSR; and an arrogant assumption that Pakistan was most unlikely to succeed for ever so long!

The 1972 Bhutto decision to go flat out for a Pak-nuclear weapon might have momentarily galvanised Indian decision-making to go in for the Pokhran demonstration. But soon thereafter, it was back to the arms of Morpheus. A simulated sleep might have been dictated by realpolitik. The Chinese, the moment they had a nuclear weapon had much of India within aircraft reach from bases in Tibet, but India could not reach the heartland of China with aircraft; and Indian missiles would have taken many years to be operational. But there was no spurt in Indian military missile building till much later. The sleep was real!

So whatever the reason, the Indian reaction to the Chinese nuclear capability was sluggish. As the progress of the Pakistani effort unfolded with time, the Indian reaction was two-pronged. One prong was disbelief, fathered by the unwillingness to take a hard decision. The second prong was the fond hope that the US could and would do something to stop Pakistan. These Indian reactions were largely coloured by wishful thinking. Many of us made this perception known publicly and privately. Indian policy makers should have realised the very strong Pakistani compulsions for going nuclear; they should also have accepted that Pakistan would eventually succeed. In which case, our policy approach should have been to support Pakistan's right as a sovereign nation to take whatever defensive measures she considered necessary, and question the US's right to impose her views selectively. Instead, we gloated over Pakistan's discomfiture, and hoped that the US would somehow stop them. This chicken has come home to roost!

IT should have been seen as axiomatic, that if either India or Pakistan produced nuclear weapons, the other had to as well. It does not matter who started the process. India may have thought it might be Pakistan. Pakistan perhaps believed that India already had gone that way; after all why should any Pakistani planner believe that after the 1974 explosion India sat on its hands and did nothing? The chances were, from the mid-'80s that this process of weaponising had already gone beyond the point of no return, in one or both the countries. If there had not been so much lotus-eating, this would have been clear from at least 1986-87.

Universal nuclear disarmament is indeed a noble situation to strive for. However, this is not an achievable objective in the real world till the middle-term future at least. Once countries have produced fissile materials and weapons, there is no method that can assure that all the signatories have indeed destroyed all their stockpiles. To expect the big powers to accept this at present is unrealistic. Sure our insisting on this approach made sense as a tactic till India was ready to go public on its nuclear weapons policy. Thereafter, we should have indicated our willingness to go along with the rest of the nuclear haves in preventing uncontrolled proliferation. This would have enabled us to concentrate on the vital national requirement of working out with Pakistan and China, stable proportionate nuclear deterrence and insulating it from the danger of failure.

We must stop repeating the mantra of universal nuclear disarmament. We must not knock the theory of regional non-proliferation for south Asia on the grounds that only a global approach makes sense but because proliferation has occurred beyond the point of no return; the Chinese, Indian and Pakistani agencies cannot be put back into the bottle. We must come up with a realistic policy which will serve the national interest, as well as avert a threat to world peace. ■

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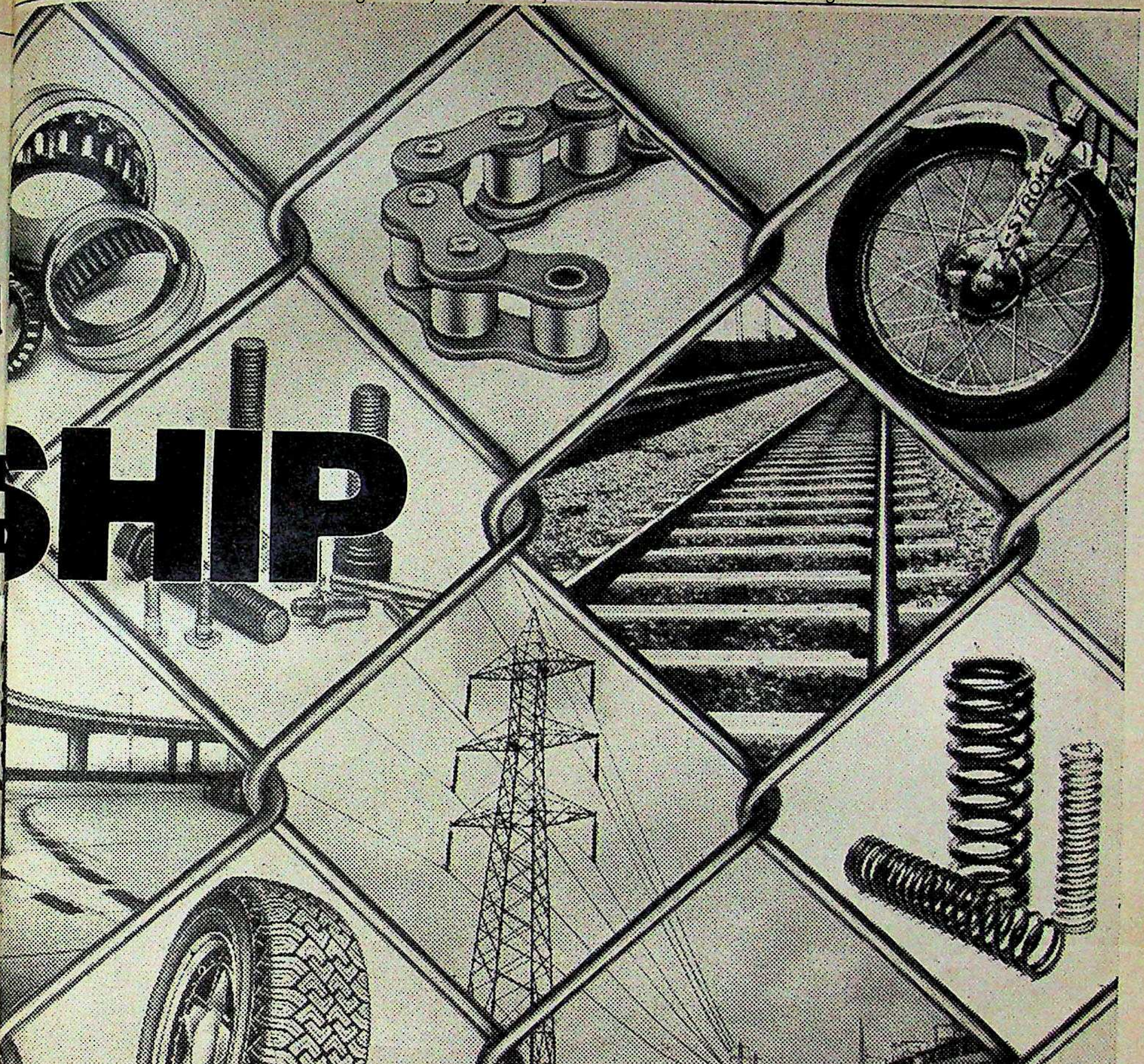
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JUDICIARY

Judging Judges

Prosecuting corrupt judges made possible

THE Supreme Court passed a landmark judgement recently in the Justice Veeraswami case, thereby laying the groundwork for bringing judges of the high courts and the Supreme Court under the purview of the Prevention of Corruption Act. Till now judges of the higher courts could not be tried for corruption under the Act, which was applicable only to public servants.

Although the judgement makes only corrupt judges accountable, it will have wide ramifications, especially in the ongoing controversy of impeachment proceedings and an allied judicial case pending against Supreme Court judge V. Ramaswami.

The Veeraswami judgement was delivered against K. Veeraswami, former chief justice of the Madras High Court who in 1976 challenged an FIR filed by the CBI under the Prevention of Corruption Act on the ground that the Act did not apply to judges. The Madras High Court, where the case was initially filed, ruled against Veeraswami. He then appealed against the high court judgement. The case then came up to the Supreme Court, and the recent verdict of the five-member bench dismissed Veeraswami's petition. The judgement *(see box)* was not a unanimous one. Four of the five judges ruled against Veeraswami's petition.

The sole dissenter was Justice J.S. Verma, who in his 70-page judgement points to the practical difficulties in implementing the new ruling and wonders "what is to be done where such action is contemplated against the chief justice of India himself". According to him, the chief justice of India "exercises only moral authority over his colleagues" and has no judicial rights over them.

The order of another judge in the Veeraswami case, Justice Shetty, states: "The judiciary...survives only by public confidence. The judge whose character is clouded and whose standards of morality and rectitude are in doubt may not have the judicial independence and may not be able to command the confidence of the public. He must voluntarily withdraw from the judicial work and administration."

Lawyers are unanimous that this has a direct bearing on Supreme Court Justice V. Ramaswami, controversial for his alleged financial misdemeanours during his tenure as the chief justice of the Punjab and Haryana High Court. Last year, the late chief justice of India, Sabyasachi Mukherji, had requested Ramaswami to desist from discharging judicial functions in the Supreme Court and had sent the judge on five months forced leave. Ramaswami, interestingly Veeraswami's son-in-law, also is facing an impeachment motion signed by 108 MPs of the Ninth Lok Sabha. Some lawyers have also filed a separate case against him in the Supreme Court to prevent him from discharging his judicial functions while the impeachment proceeding is pending.

Another section of lawyers, represented by Kapil Sibal, is challenging this contention, arguing that the impeachment proceedings, initiated by the Speaker on the last day of the Ninth Lok Sabha, are malafide and have automatically lapsed with the dissolution of the House. "In any case, the Lok Sabha and not the Supreme Court, should decide whether the impeachment motion has lapsed," asserts Sibal. The case has created a piquant situation, with Ramaswami presiding in one court and standing trial in another. Says former law minister Shanti Bhushan who heads the campaign against Ramaswami and is arguing the case against him: "The Veeraswami judgement will definitely strengthen our case."

However, some lawyers are with Justice Verma. Says an advocate: "The judgement is an attempt to please the press and the public. This is the last nail in the coffin of judicial independence. The first was the S.P. Gupta case where the Government was given the right to transfer judges." Lawyers argue that a malleable chief justice of India could misuse this ruling to please his bosses or to settle scores with colleagues. Others argue that no chief justice would ever prosecute a colleague.

Even as the legal community waits anxiously to see how the Chief Justice of India, Ranganath Mishra, implements the ruling, senior lawyers like Bhushan are backing a move to create a permanent commission on judicial accountability.

Clearly, despite the significant judgement, a new legislation is desperately needed to overcome the unwieldy and almost impractical process of impeachment and to make members of the higher judiciary accountable for their illegal actions.

—W.P.S. SIDHU

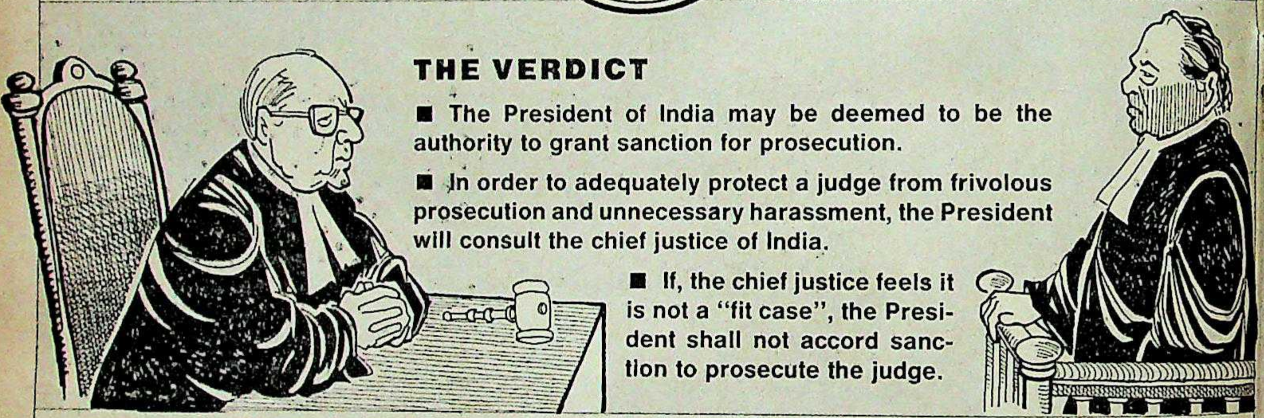

Illustration by JAYANATO

THE VERDICT

- The President of India may be deemed to be the authority to grant sanction for prosecution.
- In order to adequately protect a judge from frivolous prosecution and unnecessary harassment, the President will consult the chief justice of India.
- If, the chief justice feels it is not a "fit case", the President shall not accord sanction to prosecute the judge.

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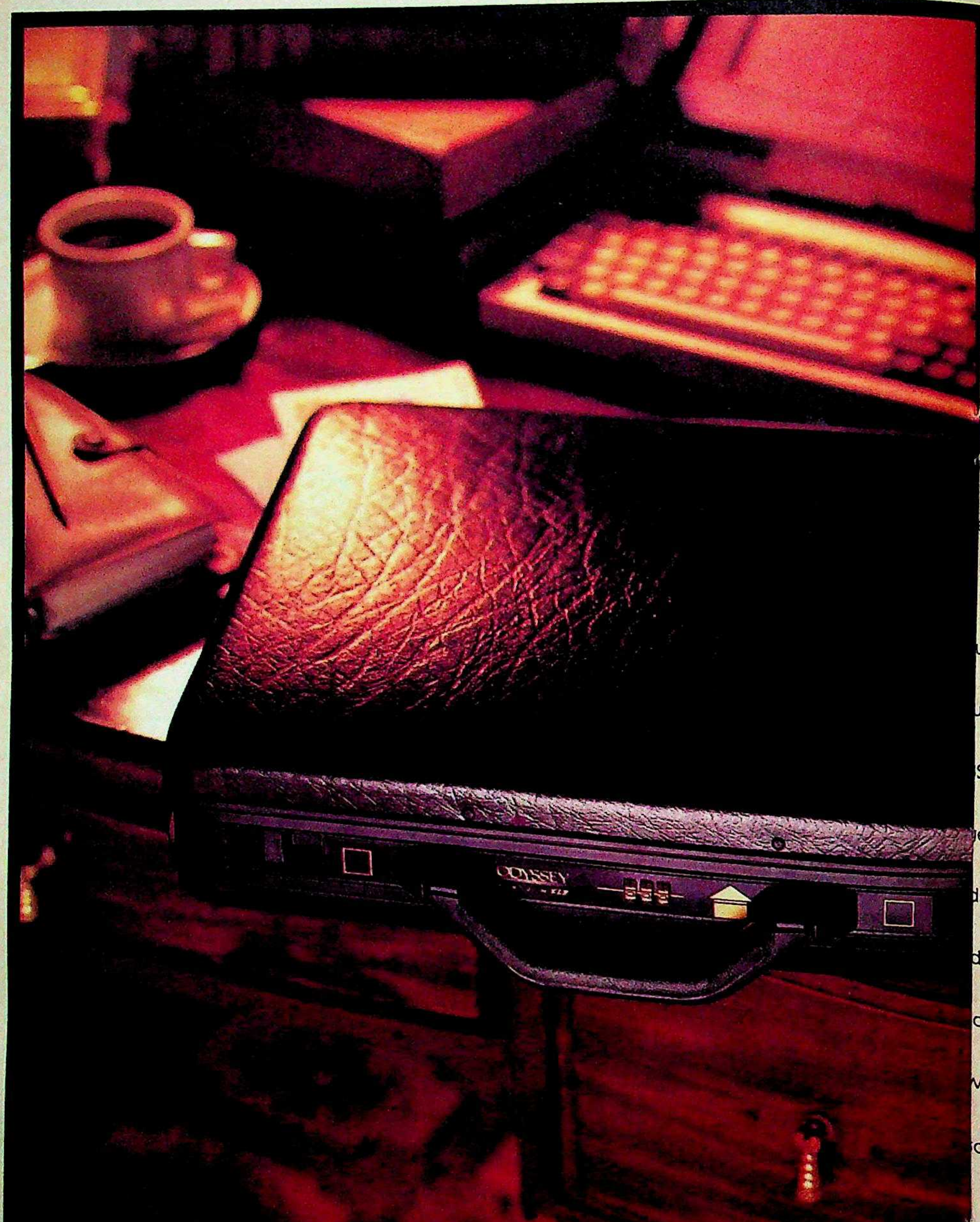
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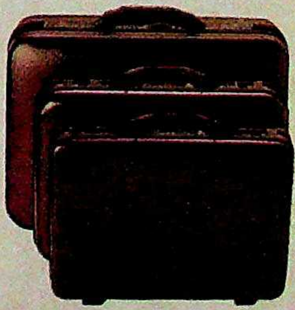

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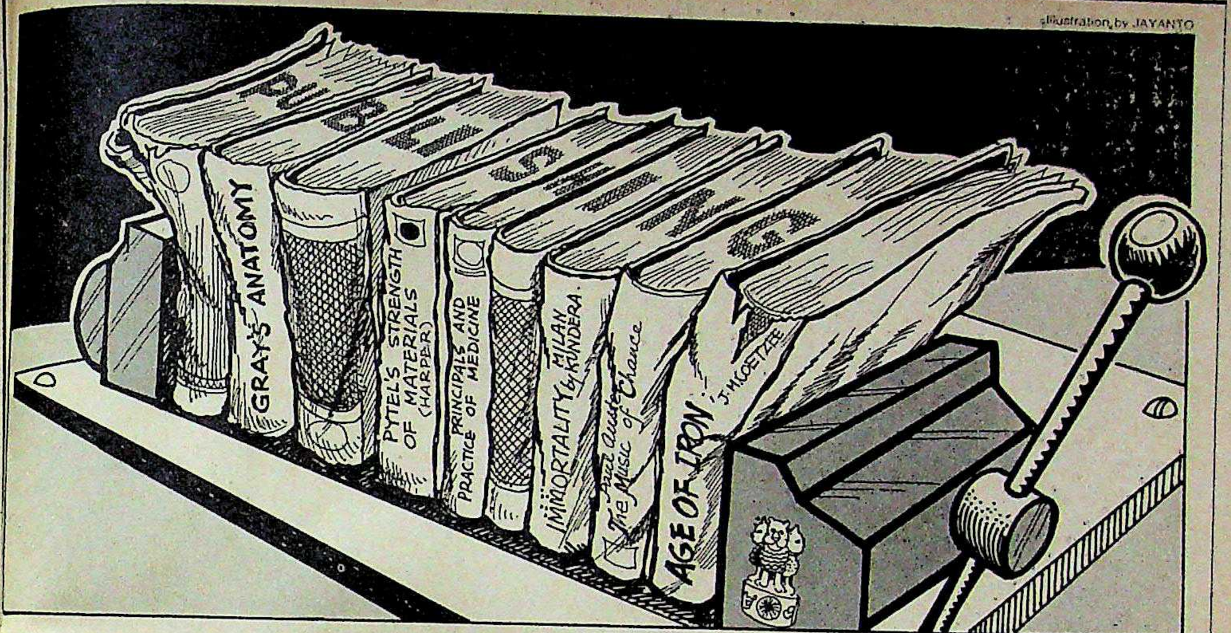

Illustration by JAYANTO

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PYTEL'S STRENGTH OF MATERIALS (HARPER)
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Paul Auster The Music of Chance
AGE OF IRON J.M.COETZEE

BOOK TRADE

In a Bind

New restrictions curb book imports

IT is a dismal chapter in the annals of the Indian book-selling industry. As the import squeeze on books introduced this March begins to have an impact, scholars, book-lovers and distributors feel that an epitaph to the industry could as well be written.

The trade was thrown out of gear in mid-March when RBI slapped 133 per cent cash margins on all Open General Licence (OGL) imports, including books. Importers now have to deposit 200 per cent of the books' value in cash with their bankers before placing orders. The money remains with the Government for at least 90 days. For a trade based on credit, this is difficult.

Worse, the steep devaluation of the rupee has increased imported book prices by at least 22 per cent. The drop in sales, even if temporary, can further starve the trade of cash. The publishers normally extend four to six months' credit to their Indian distributors which in turn is passed on to booksellers and libraries. The margins have virtually banned the import of books. Book lovers contend that even during the Swadeshi movement while all foreign goods were banned, Mahatma Gandhi had exempted books. Says a publisher: "We have to create capital twice the value of our business."

The offshoot is that imports may be down to about 10 per cent of the pre-March levels—last year India imported Rs 120-crore worth of books. So far the effect has not been felt as distributors had old stocks. But, says B.D. Galgotia of Galgotia and Sons in New Delhi: "We'll feel the pinch if the squeeze continues." The first victims will be students. Almost two-thirds of imported books are textbooks.

Predictably, distributors are now keen only on best-sellers. So quality literature and specialist books are out.

Pulp fiction of course survives. The latest Jeffrey Archer, *As the Crow Flies*, is on top of the popular pile, but top-flight writing like Milan Kundera's *Immortality* (Faber) may be a long time coming. And crucial textbooks like Pytel's *Strength of Materials* (Harper) or Harrison's *Principles & Practice of Medicine* (McGraw Hill) will no longer be found. Publishers like Oxford University Press (OUP) dealing with scholarly books are reducing supplies. Says OUP's Marketing Manager Manzar Khan: "We're trying to get essentials but in lesser quantity."

The worst hit will be book-lovers and students since as many as two-thirds of imported books are textbooks.

There is worse news. Most distributors have marked up prices. Says Anil Arora of New Delhi's The Bookworm: "Prices of special price imported editions have risen 10 to 15 per cent. Even prices of Indian books have risen by 20 per cent." With the rupee sliding at a dizzying rate, readers have to pay up to 50 per cent more for books now than a year ago. Paperbacks too, are now between Rs 100 and Rs 300.

Yet there are those who support the move. The Indian Federation of Book Publishers, which has been lobbying to get books removed from the OGL list, reckons that making imports difficult will encourage Indian books or at least more Indian reprints of foreign titles.

But this can be a specious argument. You cannot supplant world class writers by second rate ones, and the economics of the trade in India will often not work in favour of reprints. Says R.K. Mehra of Rupa and Co: "It is a fallacy that Indian publishing will grow by throttling imports." In any case, Indian authors prefer to publish abroad. And foreign publishers will only permit reprints if they have otherwise healthy business in this country. As it is, many publishers offer especially lowered prices for India. Besides, there is the danger that without competition, Indian publishing quality will actually worsen.

But the greatest argument against throttling imports could be the fact that the economics of reprints may not work. Says C.M. Chawla, managing director of UBS Publishers Distributors Ltd: "The volumes in India do not justify reprinting. It is often cheaper to import specialised books." For instance, to print a volume of Gray's *Anatomy*, with its six-colour printing, will need an investment of Rs 20 lakh even if the publisher were to give the rights free. It just does not make sense to spend so much to print 7,000-odd copies that are sold annually in India. And yet, there is no doing without it.

There is also a seedy side to the business. Not all book importers concentrate on just dispensing volumes of knowledge. Many buy useless books at low prices and make a killing on them or over-invoice imports to siphon away foreign exchange. While several such scandals have been detected, the charge hurts genuine traders. Says Zamir Ansari of Penguin Overseas Ltd: "It is not true that rejects and surplus books are being imported." In any case, he contends, there are better ways of plugging such loopholes.

Even as the wrangling between publishers and importers goes on, importers have been lobbying hard to get books exempted from the cash margins requirement. The finance minister and RBI say that as far as the squeeze goes, it's a closed book. Says RBI Chief Officer Jagdish Kapoor: "We are constantly reviewing items but for now, there are no plans to exempt books." For those who need books—specialists, book lovers and scholars—this must have an elegiac ring.

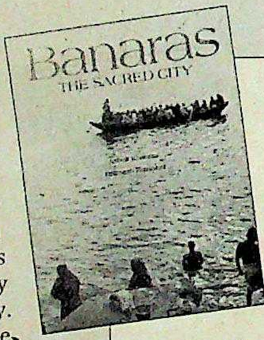
—ALOK TIWARI

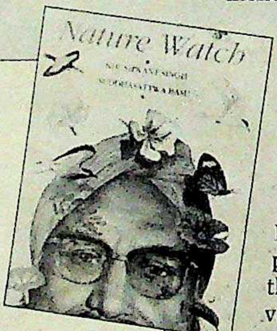
COFFEE TABLE BOOKS

Sudden Slump

BARELY a few months ago, bookstore shelves were creaking under the weight of big, glossy pictorial books. So much so that the Editor of Roli Books, Kishor Singh, could exclaim: "They're coming out of every nook and corner." And despite their stupendous prices they were being snapped up. Both in India and abroad.

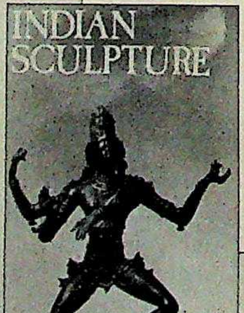
But the boom has gone bust. With the import restrictions, publishers of broad format books have been forced to do a rethink. Earlier it worked out cheaper to print in Hong Kong, Singapore or Bangkok. No longer. With the cost of printing overseas becoming prohibitive, many are being forced to diversify.

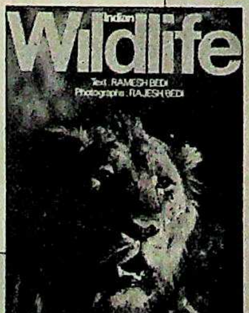




With the new restrictions, the boom in Indian glossies is beginning to go bust.

For instance, the Ahmedabad-based Mapin Publishing Company, leading publishers of coffee-table books, is in dire straits. Run by Mallika Sarabhai and her husband Bipin Shah, Mapin has published many impressive volumes including *100 Himalayan Flowers* and *Crafts of Jammu, Kashmir and Ladakh*. Now with about 10 of their titles stuck in Singapore, they have been forced to diversify into calendars and diaries. Admits Mapin's G. Verghese: "We're in a mess."





The Delhi-based Lustre Press (Roli Books), which was exclusively publishing coffee-table books like *Benares: The Sacred City*, is trying to circumvent the problem by printing in the country. This will push up the price of the already exorbitant glossies further. Lustre Press also plans leather-bound reprints of books like James Todd's *Annals and Antiquities of Rajasthan*.

The feeling in the industry now is, as Kishor Singh says: "The restrictions have to go." But just a few months ago the mood was upbeat, and even the unlikeliest candidate had been smitten by the coffee-table bug. For instance, Wiley Eastern, which had published on science, technology and education for over 20 years, published *Saris of India* last year—which sold 1,700 copies at a whopping Rs 1,500 each.

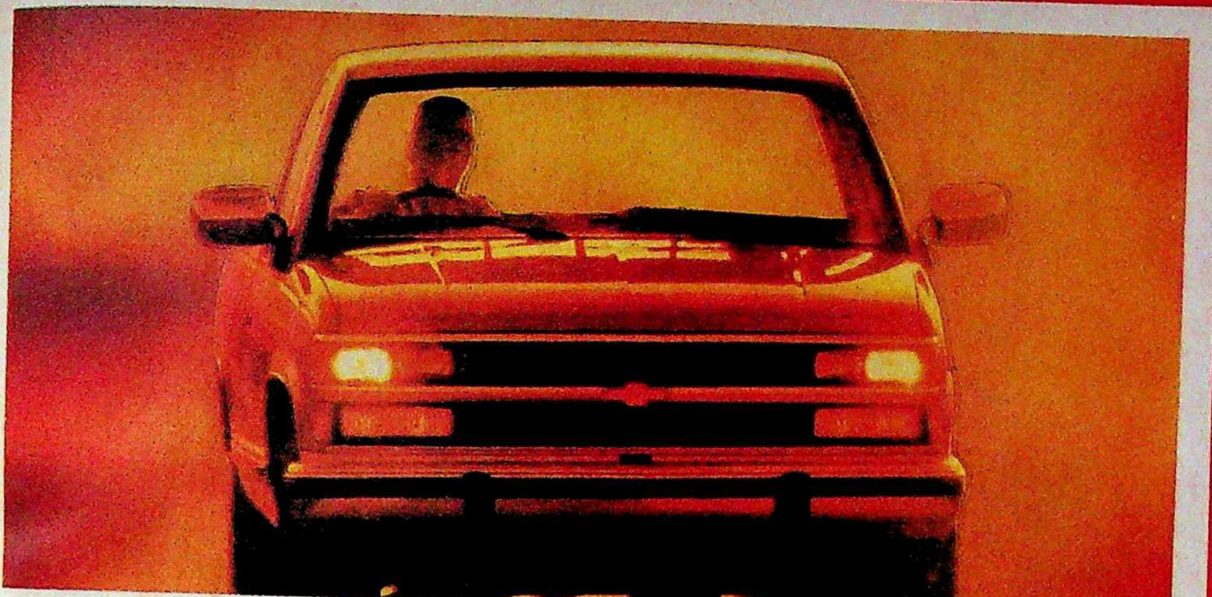
Penguin India, which so far has limited itself to small format books, had decided to go in for coffee-table publishing. Says Penguin's David Davidar: "Although it is a high-risk area because of the big capital investment, it is also very profitable."

Earlier, many publishers met the crisis in tourism by widening their scope from travel to books on Indian art and environment. And by gearing largely towards the export market. Brijwasi Publication received an impressive 70,000-order from the Soviet Government for a volume on Indian wildlife.

Though ranging from Rs 250 to Rs 3,000, most coffee-table books sold well. Khushwant Singh's *Nature Watch* sold 10,000 copies at Rs 250 each. Also successful was a glossy on Odissi by the Bombay-based Marg Publications, founded in 1947 by Mulk Raj Anand. A further fillip came from corporate sponsorship—ITC sponsored several books on sports and Wiley Eastern published 1,000 copies for the BSF on a "buy back" basis.

Though the trade has hit the shoals, some publishers hope the restrictions will give a boost to printing in India. Mulk Raj Anand sees light at the end of the tunnel if the "stodgy art publishers in India work on quality". Adds Davidar: "The market will rationalise itself. The bad books will be weeded out, the good ones will survive." The gloss may dim, but it's not going to fade out yet.

—SUGITA KATYAL



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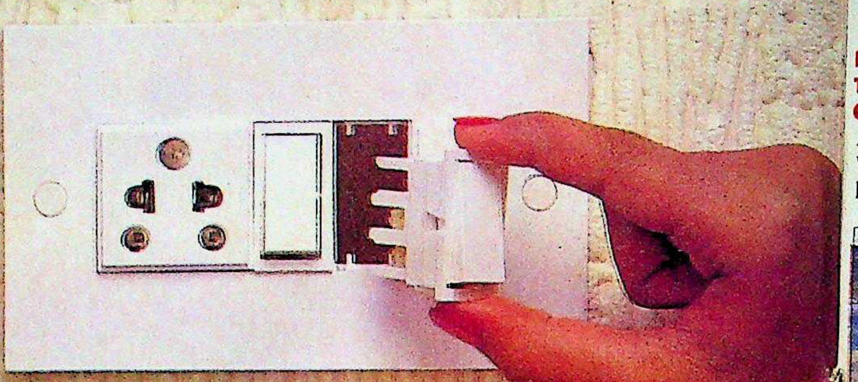

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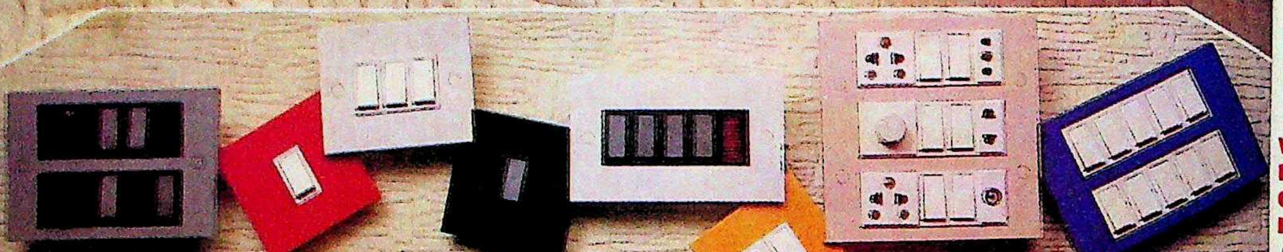

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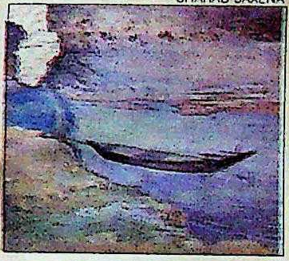
HEADQUARTERS

Art

SUMMER SHOW IV (Art Heritage; New Delhi). Something for everybody in these ink drawings, etchings and watercolours by 15 artists like Akbar Padamsee.

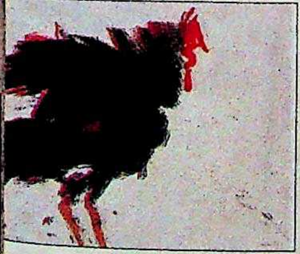
RAMKINKAR BAIJ AND THE BEST OF THE BENGAL SCHOOL (Vadhera Art Gallery; New Delhi). Works by Jamini Roy, Nandlal Bose and Rabindranath Tagore deserve to be seen, as do Kinkar's delicately dreamy scapes.

SHARAD SAXENA



One of Kinkar's works

WATERCOLOURS BY DIPANKAR MONDAL AND COLLAGES BY PRANAB PHAUZDAR (Pundole Art Gallery; Bombay). Both Calcutta-based. Mondal's watercolours unfold a cock-fight with expressionist strokes. Phauzdar's collages ingeniously look like paintings.



Mondal's 'Frengy'

PHOTOGRAPHS BY SUNIL JANAH (Jehangir Art Gallery; Bombay). The four decades of Janah's (73) work evoke poignant facets of life in India and South East Asia. For Janah, it is clearly black and white over colour.

Movies

SAUDAGAR (Directed by Subhash Ghai; starring Dilip Kumar, Raaj Kumar, Jackie Shroff, Anupam Kher, Deepti Naval, Vivek Mushran and Monisha Koirala). The showman of tinsel town doesn't disappoint. And, amazingly, he's managed to keep the two thespians Dilip Kumar and Raaj Kumar from overshadowing one another. But Anupam Kher is the dark horse. Maybe the cast is good but the theme is down the beaten track—youngsters from enemy families who fall in love.

Dilip and Raaj Kumar in *Saudagar*

INDRAJEET (Directed by K.V. Raju; starring Amitabh Bachchan, Jaya Prada, Kumar Gaurav, Neelam, Sadashiv Amrapurkar and Kader Khan). Despite the mediocrity, Bachchan plays the doting daddy to Neelam with aplomb. Otherwise it's a *Dirty Harry* spin-off—full of blood and *deja vu*.

Books

THE GRANTA BOOK OF TRAVEL (Granta Books; Rs 263). A splendid anthology of select travel pieces from the literary magazine *Granta*. The writers include Gabriel Garcia Marquez, Salman Rushdie and Amitav Ghosh. Plus tales from Cambodia, Cuba, Egypt. A must for all travel buffs.

BRAZZAVILLE BEACH by William Boyd (Penguin Books; Rs 110). Boyd's heroine Hope Clearwater sits on a beach on the edge of post-colonial Africa dissecting her past. The book catches the atmosphere of Africa realistically, and keeps up a sense of anticipation. Boyd's best book so far.

Theatre

SUPPER THEATRE (Isfahan, Taj Palace Inter-Continental, New Delhi). Food, wine and theatre is a heady mix. These appetisers—four plays by theatre groups from Bombay and Delhi—make dining a pleasure. *The Stranger*, directed by Amal Allana, is based on Strindberg's original, and has an intense performance by Kiran Singh Kher. To follow are: *Murder Game*, *Good Doctor* and *Family Ties*.

Kiran Kher in *The Stranger*

Music

GEETA DUTT: THE GOLDEN COLLECTION (HMV). It's the inimitable Geeta Dutt. With her mix of sensuality and sprightliness, Dutt's voice reinforces her uniqueness. A collector's choice with songs from *12 O'Clock* to *Anubhav*.

SOUND MATTERS by The Jazzmates; (Magnasound). For those who say jazz is *passe* without a horn or saxophone, the debut album of the Bombay-based The Jazzmates—with five original compositions—is welcome.

The Jazzmates

Video

ALICE (Directed by Woody Allen; starring Mia Farrow, Alec Baldwin and William Hurt). Allen's latest is a laboured study of a Catholic housewife's (played well by Farrow) journey towards liberation, helped by her middle-aged lover (Baldwin).

GUILTY BY SUSPICION (Directed by Irwin Winkler; starring Robert de Niro). Set in Hollywood in the paranoid McCarthy era. Naval war hero and promising director De Niro refuses to compromise his friends and takes on the establishment.

Neena: the next Draupadi

Epic Appeal

◆ The number of Draupadis is increasing with every unfolding yard of her saree. The latest to wrap the epic garb around herself is **Neena Gupta**, the sultry siren of the small screen who had scandalised the squares of Indian society by becoming the first celebrated unwed mother. Gupta has landed the role in a Sanskrit film *Bhagavad Gita* by G.V. Iyer, who is known to make films but only in the mother of all Indian languages. Won't the language be a barrier for Gupta? Nope, she says pointing out: "I am an M.Phil. in Sanskrit from Delhi University." But that's as far as she can relate with the original. "Draupadi had five husbands. I am not even married once." A five figure promotion, what?

Muscle Man

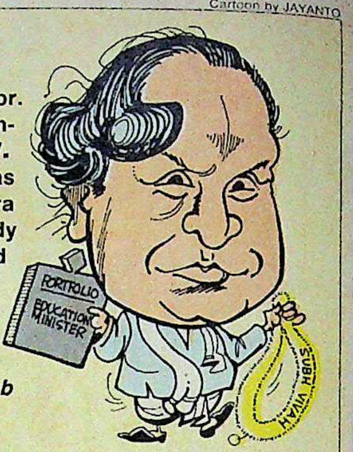
◆ He might even give Arnold Schwarzenegger an inferiority complex. Well, almost. Bicepman **Prem Chand Dogra** flexed his way to an impressive win in the Asian ABC Pro-Am Classic Bodybuilding Championship in Singapore—for the second time in a row. But that's no sweat at all. Winning effortlessly is a habit. He won the Mr Universe title in 1988, in Brisbane, prior to which he won both the Mr India and Mr Asia titles seven times, thus creating a record in muscle display. Dogra now works out in an air-conditioned Hoshiarpur gym, which boasts of equipment comparable to international standards. He has also evolved a scientifically planned diet for himself for which, he says, he's "got to have about eight to 10 meals a day". Bon appetit.

Dogra: easy winner

Cartoon by JAYANTO

Papa Power

◆ **It was worth waiting for. First papa became prime minister. Later bachelor boy P.V. Ranga Rao, 48, took oath as education minister in Andhra Pradesh. And now he's ready to wed. In the order he'd promised mother. As for what's sweeter: being the premier's son or minister, he quipped: "Both. It's like choosing between a *gulab jamun* and *ladoo*."**



Material Girl

◆ She can barely count beyond the fingers on her hand. But that hasn't, in any manner of speaking, prevented the four-year-old child star **Shamili** from totting up an impressive score on the income tax sheet. The winner of the National Award for the Best Child Artiste this year for her sensitive and captivating performance in the film *Anjali*, she is quite possibly the youngest income tax assessee ever—she has been paying taxes for the past two years! The cherubic star is already charging Rs 2.5 lakh per film. In addition to this, she has signed up for the whole year. The secret of her success? In her doting Papa's words: "It's her grasping power." Papa doesn't preach, he actually teaches—he painstakingly enacts every scene for his pretty baby.

Shamili: early income

Prodigal Idol

◆ Greece may not have got the Elgin marbles back yet. But for India, the waiting is over. The 12th century **Pathur Nataraj** finally returned home last fortnight, into the welcoming arms of Tamil Nadu Chief Minister Jayalalitha. It took nine years of legal wrangling before the £1.5 million (Rs 6.6 crore) idol could join the rest of the pantheon at the Vishwanathaswamy temple in Thanjavur district, from where it all began. After a many-armed song and dance, of course. It's not just the return of the native. India's flexing its legal muscle to get back its stolen property. Next stop, the Kohinoor?

Nataraj: temple ties

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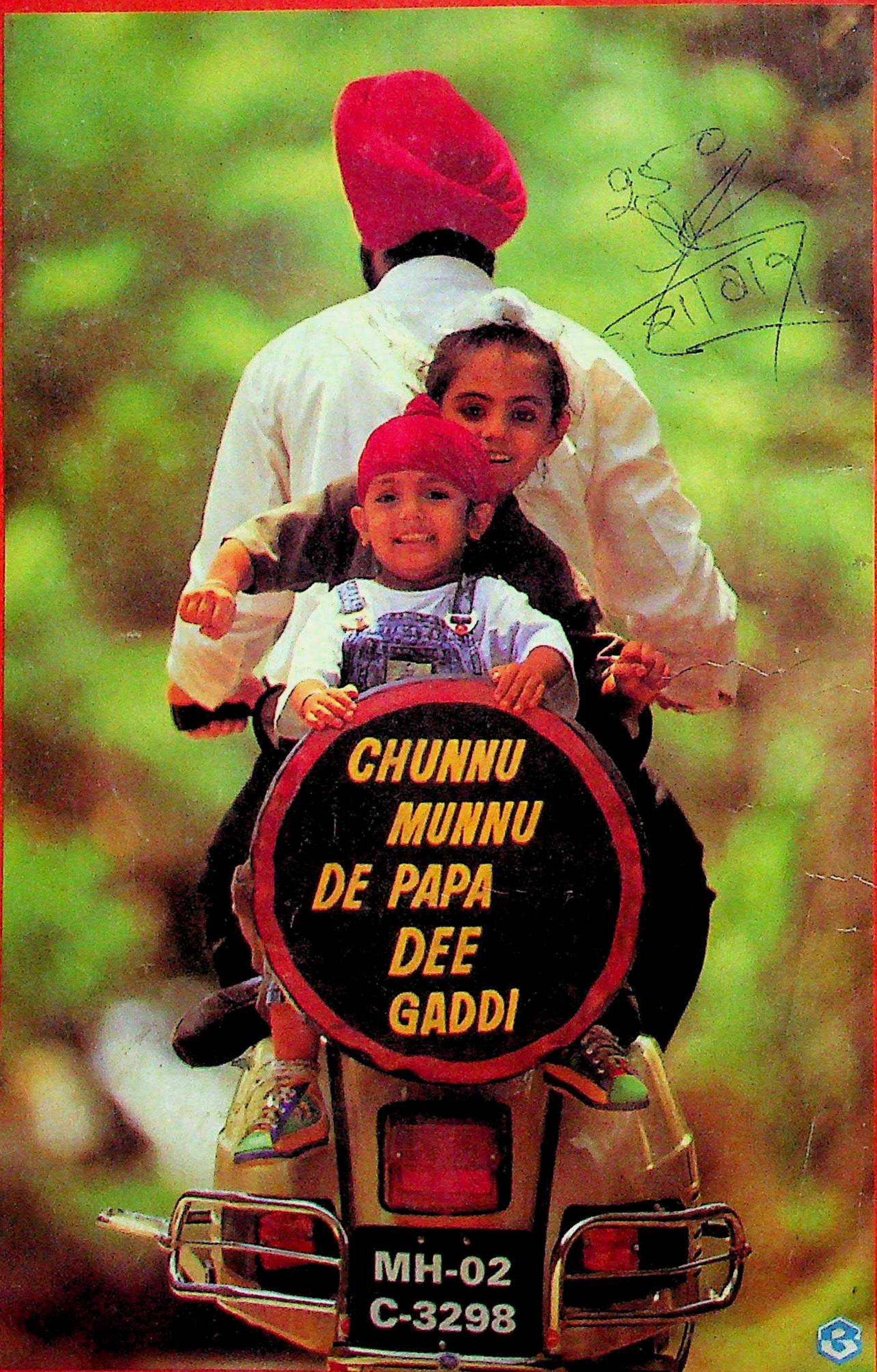
HAMARA BAJAJ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